



Daily Report

China

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General

Foreign Ministry Holds Weekly News Briefing

Hopes for Agreement in U.S. Talks

HK1912124991 Beijing ZHONGGUO XINWEN SHE
in Chinese 1135 GMT 19 Dec 91

[Text] Beijing, 19 Dec (ZHONGGUO XINWEN SHE)—Chinese Foreign Ministry spokesman Wu Jianmin outlined China's position on the Sino-U.S. intellectual property rights talks at today's news conference.

A reporter asked: During the upcoming weekend, the Chinese side and the U.S. side will begin the next round of intellectual property rights talks. If the U.S. side raises the tariffs for some imports from China, will China also raise the tariffs for some imports from the United States accordingly?

Wu Jianmin said: Your question is based on presumption. As far as the Chinese side is concerned, we still hope that the two sides will reach an agreement through consultations in this round of talks on an equal footing. Trade is mutually beneficial, and sanctions are harmful, not only to one side but also to the other. Therefore, the best way is to reach agreement through talks.

Reaffirms Noninterference in USSR

OW1912094991 Beijing XINHUA in English
0929 GMT 19 Dec 91

[Text] Beijing, December 19 (XINHUA)—China follows its consistent stand of non-interference in other countries' internal affairs, respect for the choice of the people of every country, and willingness to develop relations with all other countries on the basis of the five principles of peaceful coexistence, a Foreign Ministry spokesman said here today.

Spokesman Wu Jianmin made the remarks at a press conference here this afternoon when asked to comment on the disintegration of the Soviet Union by the end of this year.

Appoints Envoys to Baltics

CM1912134391 Beijing XINHUA Domestic Service
in Chinese 1018 GMT 19 Dec 91

[Text] Beijing, December 19 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that China has appointed its ambassadors to three Baltic countries: Qiao Zonghuai, China's ambassador to Finland, is concurrently ambassador to Estonia, Tang Longbin, China's ambassador to Sweden, is concurrently ambassador to Latvia, and Pei Yuanying, China's ambassador to Poland, is concurrently ambassador to Lithuania.

On Ties With Former Republics

HK1912115191 Hong Kong AFP in English 1117 GMT
19 Dec 91

[Excerpt] Beijing, Dec 19 (AFP)—China Thursday said it wished to establish relations with the republics of the former Soviet Union, but refused to comment on the announcement of the union's dissolution.

"Looking at the overall trend, it seems then that we will develop relations with all the republics which have announced independence," Foreign Ministry spokesman Wu Jianmin said during a press briefing.

Up till now, China has granted implicit recognition to Ukraine, Russia and Belarus after they established their own Commonwealth of Independent States, which has been since joined by the five central Asian republics.

"The situation in the Soviet Union is still developing and China is following the changes in the Soviet Union," Wu said, indicating that it was too early for Beijing to take any initiatives. [passage omitted]

Discusses Implementing Cambodia Accord

HK1912103391 Hong Kong AFP in English
1003 GMT 19 Dec 91

[Text] Beijing, Dec 19 (AFP)—China is considering taking part in administration of the United Nations-brokered peace agreement for Cambodia, a government spokesman said Thursday.

"We are ready to make our own efforts in the implementation of the agreement," spokesman Wu Jianmin told reporters.

Asked if Beijing would send personnel to Cambodia to remove mines or join other peace-keeping activities, he said "questions in this regard are still under consideration."

A decision will be announced later, Wu said. China was a signatory to the October agreement, which formally ended Cambodia's civil war in which Beijing backed the three-party resistance.

The spokesman said the aim of a December 27-28 visit to Cambodia by Foreign Minister Qian Qichen was to "exchange views on issues of common concern" with the Cambodian parties, including their leader, Prince Norodom Sihanouk.

The visit was scheduled for earlier this month but postponed after leaders of the Khmer Rouge were chased out of Phnom Penh by an angry mob.

The Marxist faction had returned from nearly 13 years in exile to attend a meeting of the Supreme National Council, a reconciliation body joining the four parties.

China was the main backer of the Khmer Rouge regime of the late 1970s, which is blamed for the deaths of hundreds of thousands of Cambodian civilians.

The Chinese spokesman said the pressing task in Cambodia was for all sides "to comprehensively implement the agreement on the political settlement."

"We hope that all the parties of Cambodia will cast aside their past grievances ... so as to turn Cambodia into a peaceful, independent, neutral and non-aligned prosperous state," he said.

Comments on Cambodia, 'Arafat

*HK1912131191 Beijing ZHONGGUO XINWEN SHE
in Chinese 1135 GMT 19 Dec 91*

[Report: "Chinese Foreign Ministry Spokesman Says China Is Willing To Do Its Best To Implement the Paris Agreement on the Cambodian Issue"]

[Text] Beijing, 19 Dec (ZHONGGUO XINWEN SHE)—When answering questions on Foreign Minister Qian Qishen's upcoming visit to Cambodia, the Chinese Foreign Ministry Spokesman Wu Jianmin said this afternoon that Foreign Minister Qian will visit Cambodia at the invitation of Prince Norodom Sihanouk, chairman of the Supreme National Council [SNC]. During his visit, Foreign Minister Qian will exchange views with Prince Norodom Sihanouk and people from all sides on issues of common concern. Being one of the countries which signed the Paris agreement on comprehensively solving the Cambodian problem through political means, China is willing to do its utmost to implement this agreement.

When asked how to peacefully solve the Cambodian issue through political means and when is the best time for Cambodia to hold its general elections, Wu Jianmin said that, as far as Cambodia is concerned, the most urgent task is to comprehensively implement the Paris agreement. China hopes that all Cambodian parties involved can bury the hatchet; value the righteous cause of the nation above everything else; bring about national reconciliation in real terms; and make concerted efforts to build Cambodia into a peaceful, neutral, nonaligned, and prosperous country. The time for a general election in Cambodia will be decided by all sides upon consultation.

A reporter asked what subjects will be talked about during 'Arafat's visit to China. Wu Jianmin said president 'Arafat will exchange views with Chinese leaders on the latest developments in the Middle East among other issues of common concern.

Supports Korean Nuclear-Free Zone

*OW1912100391 Beijing XINHUA in English
0951 GMT 19 Dec 91*

[Text] Beijing, December 19 (XINHUA)—China has always supported the proposal to turn the Korean peninsula into a nuclear-free zone, a Chinese Foreign Ministry spokesman said here today.

In response to a correspondent's question on South Korean President No Tae-u's recent announcement, Spokesman Wu Jianmin said that it was reported that on December 18 the South Korean side announced that South Korea no longer stockpiles any nuclear weapons. The U.S. side also stated that it was ready to accept inspection of its installations in South Korea so as to testify that there are no nuclear weapons there.

"We have taken note of the above-mentioned announcement and statement and hold that they deserve welcome," Wu said at a weekly press conference.

China has always supported the proposal to turn the Korean peninsula into a nuclear-free zone, and hopes that the above announcement and statement will be conducive to the achievement of such a goal, he added.

Planning Research Institute in RSA

*OW1912092291 Beijing XINHUA in English
0841 GMT 19 Dec 91*

[Text] Beijing, December 19 (XINHUA)—A Chinese research institute is going to set up a research center in South Africa, a Foreign Ministry spokesman said here today.

In response to a reporter's question at a press conference here this afternoon, Spokesman Wu Jianmin said in light of the development of the situation in South Africa, the non-governmental contacts between China and South Africa will gradually increase.

"I have learned that a Chinese research institute is going to set up a South Africa research center in South Africa and this is a non-governmental institution aiming to increase mutual understanding between the Chinese and South African peoples," Wu said.

He noted that South Africa is also going to establish a similar non-governmental institution in China.

Ukraine Leader Calls For Quick U.S. Recognition

*OW1912041491 Beijing XINHUA in English
0313 GMT 19 Dec 91*

[Text] Moscow, December 18 (XINHUA)—Ukrainian President Leonid Kravchuk said today Ukraine hoped the United States would quickly recognize its independence.

Ukraine declared its independence after a referendum in the republic on December 1 which showed that 90 percent of voters supported a break with Moscow.

Kravchuk made his remark at a joint news conference with United States Secretary of State James Baker after their meeting in Kiev today, the TASS news agency reported.

Both men said they were pleased with the talks.

Kravchuk called on Washington to dispatch experts to Ukraine to help dismantle nuclear weapons as soon as possible.

He also called on the U.S. to help his republic solve various economic problems.

Such help would further promote the process of democratization and economic reforms in Ukraine, he said.

Kravchuk assured Baker Ukraine would observe all treaties relating to a reduction of European conventional weapons and would soon ratify the agreements signed by the Soviet Union and the United States on cutting strategic nuclear weapons.

Baker said he was satisfied with Ukraine's positions on free market economic reforms and nuclear security.

Kiev is the last stop on Baker's five-day Soviet trip.

During his stay, he has held a series of talks with leaders of the Soviet Union and various republics.

Exchanges have focused on the issue of Soviet nuclear weapons and the country's armed forces.

Asian Development Bank Approves Assistance

Environmental Management Grant

OW1312150791 Beijing XINHUA in English
1302 GMT 13 Dec 91

[Text] Manila, December 13 (XINHUA)—The Manila-based Asian Development Bank (ADB) today approved a technical assistance grant of 600,000 U.S. dollars to China for its Environmental Management Information Systems (EMIS).

The assistance will strengthen the EMIS in Shanghai, Dalian and Nantong, three economically dynamic key cities in China.

The assistance will assess and identify technical and managerial skills to upgrade the capacity of existing systems in the environmental protection bureau in each municipality, and help design a computer-based environmental information system to aid the investigation of pollution sources.

China's National Environmental Protection Agency will be the executing agency for the technical assistance which requires about 15 man-months of international consulting services, the ADB said.

Loan for Major Ports Development

OW1312151591 Beijing XINHUA in English
1253 GMT 13 Dec 91

[Text] Manila, December 13 (XINHUA)—The Manila-based Asian Development Bank (ADB) today approved a loan of 88.8 million U.S. dollars and technical assistance of 1.14 million U.S. dollars to China for development of three major ports.

The loan has a term of 25 years with a five-year grace period, and the interest rate will be determined in accordance with the bank's pool-based variable lending rate system, according to a press release from the bank today.

The loan will be used to construct deep-water berths and facilities at the major ports of Dandong, Yingkou and Yantai.

Port improvements at all the three locations will facilitate economic development and improve economic efficiency in the hinterlands served by each port the bank said.

Technical assistance of 575,000 U.S. dollars will be provided to improve port management operations and foreign private investment will be encouraged to make port operations more efficient.

Another 565,000 U.S. dollars of technical assistance will be provided to improve financial management in the port sector where international financial management and accounting practices will be introduced.

Advisory technical assistance will be provided as grants, the ADB added.

Zhu Rongji Receives Japanese, U.S. Industrialists

OW1412143391 Beijing XINHUA in English
1235 GMT 14 Dec 91

[Text] Beijing, December 14 (XINHUA)—Chinese Vice-Premier Zhu Rongji met with Hiroshi Ichihara, president of the Kokusai Denshin Denwa Co., Ltd. (KDD) of Japan, and Alexander C. Stark Jr., vice-president of the American Telephone and Telegraph Corporation (AT&T) of the United States, and their parties here today.

During the meeting, Zhu and his guests had a friendly talk on the development of co-operation between China and the two countries in the fields of post and telecommunications.

Ichihara and Stark have come to Beijing to attend the signing ceremony of an agreement on the construction and maintenance of a fiber optic submarine cable system, which will be jointly constructed by the Bureau of Telecommunications of the Chinese Ministry of Posts and Telecommunications, KDD and AT&T.

Beijing Seminar Views 1991 International Situation

HK1912054191 Beijing RENMIN RIBAO in Chinese
13 Dec 91 p 7

["Trends of International Academic Studies" column by staff reporters Zhang Guocheng (1728 0948 2052) and Liao Xianwang (1675 0341 2489): "Pattern, Contradiction, Strategy—Sidelights of Seminar Sponsored by China Center for International Studies"]

[Text] The China Center for International Studies held a seminar on the 1991 international situation in Beijing from 5 to 7 December. It was attended by nearly 70 experts, scholars, and media workers who carried out an academic discussion of the development of the international situation in 1991, contemporary world patterns and contradictions, and the international situation confronting our country.

Two major events happened this year: The Gulf war at the beginning of the year and the changes in the Soviet situation after the 19 August incident. The former is over while the latter will continue for some time. At the seminar, the participants said that these two events have had a profound and broad impact on the international situation this year. If the 1989 U.S.-USSR heads of state summit in Malta is said to have opened the way for the collapse of the bipolar international system, then the disintegration of the Soviet Union after August this year marks the completion of this process. The participants believed that the changes in the international situation over the past year have indicated that military confrontation on a worldwide scale has continued to decline, while the momentum for detente is growing. In spite of regional turmoil and wars, peace and development is the main theme today.

The participants held different opinions on the pattern and principal contradictions in the world today. Basically, they fell into two categories: One view maintained that the international situation is still in a transition period, so it is not yet possible to draw a conclusion and further observation is necessary. The other view held that, after the old system was destroyed, a new one was born immediately. After the principal contradiction of the old system has disappeared, one of the many existing contradictions in the world will emerge as the principal contradiction. A world without contradiction or structure does not exist. Advocates of this view also held that a system characterized by "one superpower and many great powers" will replace the U.S.-USSR bipolar structure. On the question of the world's leading contradictions, they believed that the East-West confrontation has declined in relative terms and that, even though it still exists, it is no longer the principal contradiction. The prevailing "West-West contradiction," that is, contradiction among the developed countries, has emerged as the principal contradiction dominating, regulating, and affecting other contradictions. The participants contended that a clear understanding of the international system and a firm grasp of the leading contradictions form the important bases for observation of developments of the international situation.

The establishment of a new international political and economic order has become the concern of more and more countries. The participants held that these two orders are mutually related, with the latter serving as the foundation of the former. Due to the complexity of the world's different contradictions and the existence of countless uncertain factors, the new order will turn into a slow and painstaking process of evolution. On the

question of the new international order, the actions of the United States should be noted. Regarding the current GATT Uruguay round, the nuclear arms control negotiation, the Middle East peace conference, and other issues, the United States is not only taking part in these conferences but is seeking to play a leading role as it reveals its intentions to arrange a new order based on its design.

Given the general state of the international situation, countries in the Third World have changed as they come under increasingly greater pressures from the West. Compared to the 1960's and 1970's, both the Non-Aligned Movement and the Group of 77 have appeared to be looser. In spite of this, the Third World remains a significant international force and could again play a role after undergoing some restructuring. The contradiction between Third World countries and the western developed countries is still one of the main factors affecting the international situation.

The participants asserted that the security situation along the borders of our country this year is the best since the founding of the PRC. Our relations with western developed countries also underwent varying degrees of improvement and development. As a permanent member of the UN Security Council, our country is playing an increasingly important role in the international arena. But in the next 10 years, our country will also be confronted by all kinds of challenges, the most urgent and realistic of which is the challenge posed by the comprehensive national strength in economics and science. Therefore, our country should insist on reform and opening up, seize the central task of economic construction firmly, and conduct our own affairs satisfactorily first.

Beijing To Host World Trade Center Meeting

OW1912033891 Beijing XINHUA in English
0258 GMT 19 Dec 91

[Text] Beijing, December 19 (XINHUA)—Beijing was approved to host the 26th annual meeting for the World Trade Center Association (WTCA) in 1995, today's "PEOPLE'S DAILY" reported.

The decision was made at WTCA's last council meeting held in Hong Kong in April, at which the Beijing World Trade Center and China World Trade Center jointly applied to the association to host the 26th annual meeting of 1995.

At the meeting, the director of BWTC introduced the achievements of China's policies of reform and opening to the outside world, and its ongoing preparations for the WTCA 26th annual meeting, which was much appreciated by WTCA council members. They cast their approval votes unanimously.

WTCA is a world non-governmental organization aiming at promoting international economic exchanges

and cooperations for world trade development. Its members include 220 cities in over 50 countries and regions across the world.

According to the paper, 18 countries and regions like Alaska, Montreal, Antwerp, and Taipei have applied to host the WTCA 1994 and 1996 annual meetings.

Specialists Urge International Competitiveness

OW1712141691 Beijing XINHUA in English
1350 GMT 17 Dec 91

[Text] Beijing, December 17 (XINHUA)—More than 50 specialists from 15 countries called on countries in Asia and the Pacific region to advance international competitiveness and efficient use of resources in manufacturing at a seminar which opened here today.

The specialists will present their papers on regional development and will discuss a long report on readjustment of industrial structure made by the United Nations' Social Commission for Asia and the Pacific (ESCAP) at the five-day meeting organized by ESCAP and the Institute of Asia-Pacific Studies under the Chinese Academy of Social Sciences.

Ma Hong, president of the Development Research Center of the State Council, said that the enhancement of international competitiveness in Asia and the Pacific will be important not only to those countries which rely mainly on export growth but also such countries as China and ASEAN nations, which implement the open policy and export-oriented economy.

He said that the proportion of manufacturing has remarkably increased in the industrial sector of the whole country while finished products accounted for 70 percent of the total exports of China.

Thus, he said, it is very important for China to promote international competitiveness in manufacturing as it tries to expand foreign trade and raise economic efficiency.

China plans to raise product quality and international competitiveness in manufacturing by advancing science and technology and efficiently using resources. This will be an important part of China's economic construction program in the next decade, he added.

Briton Arrested for Smuggling Hashish

HK1712064991 Hong Kong SOUTH CHINA
MORNING POST in English 17 Dec 91 p 1

[By Geoffrey Crothall in Shanghai]

[Text] Police in Shanghai believe they have cracked a major international drug smuggling ring involving a Briton based in the far western Chinese city of Kashgar.

The Briton, known only as "Robert", had been living for more than a year in the city, from which he distributed hashish to Europe, Japan and the United States,

according to Mr Yuan Yougen, a deputy division chief of the Shanghai Public Security Bureau.

Robert was arrested late in October as he was attempting to leave the country with a "relatively large amount of hashish" possession.

He was subsequently taken to Shanghai for further questioning, Mr Yuan said.

Two Germans, Dieter Hauster and Werner Kutscher-Schmidt, are currently awaiting sentencing for hashish smuggling in Shanghai, but Mr Yuan refused to confirm this.

If convicted, Robert would face life imprisonment or possibly even the death penalty under China's stringent new drug law introduced last year.

Very little is known about the man's background except that he is in his 30s, originally from Wales and is married to a local Kashgar woman.

Most of the drugs passing through Shanghai are destined for the large Japanese market.

The Shanghai Public Security Bureau has intensified its drug enforcement work over the past few years following the discovery at the city's airport in 1988 of a shipment of heroin concealed in crates of goldfish bound for San Francisco.

"We are very satisfied with the work we have accomplished so far, but more still needs to be done," Mr Yuan's colleague Mr Yang Xinghua said.

Conference Board Ranks Economy Eighth in World

OW1412011791 Beijing XINHUA in English
2255 GMT 13 Dec 91

[Text] New York, December 13 (XINHUA)—China ranks the eighth position among the world's largest 100 economies, according to a study released today by the Conference Board.

The world's "top 100 economies" now include 53 nations and 47 industrial companies. The new top 100 list marks the third attempt to rank companies and countries on a common scale based on countries' gross national products and companies's sale.

Kenneth Goldstein, co-author of the analysis, told XINHUA that he can not remember that China was included in the list ten years ago. But now it ranks the eighth, ahead of Brazil, Spain, India, Australia and others.

The Conference Board analysis, which appears in ACROSS THE BOARD, notes that a rising number of the world's largest economic units are companies, not countries.

The first listing and an up-dated version were compiled respectively by the Library of Congress's Congressional Research Service and ACROSS THE BOARD in 1971 and 1980.

The United States continues as the world's leading economy, with Japan in second place, Germany, third, and France, fourth. The top 100 includes 16 U.S. companies, led by General Motors, Ford Motor, Exxon and IBM. Japan has 11 corporations among the most powerful 100, paced by Toyota Motor, Hitachi Ltd., Matsushita Electric and Nissan Motor Co.

"Running a large company is somewhat analogous to managing a large country," says Goldstein. "Indeed, there are companies that take in more money in sales revenues than governments receive from tax revenues. Since economists define money as the command over goods and services, this list of the top 100 economic units represents the most important organizations on earth. It is the ultimate 'A' list."

The analysis says that companies ranking in the top 100 are either giant manufacturing firms or global enterprises making a wide variety of products. Some 18 of the 47 companies on the list produce cars or oil, processes requiring vast size in order to be most effective. The other 29 companies are highly diversified enterprises that make many different goods in many different countries.

The emergence of more companies and fewer countries on the list points to the continued growth of very large, highly diversified transnational conglomerates, says the conference board analysis.

The Conference Board, whose business research program reports and analyzes major economic trends and focuses on global management, the changing work force, quality and productivity, and business and education, is a much followed worldwide business network connecting companies and senior executives in more than 50 nations.

United States & Canada

Qian Qichen 'Furious' Over Detention of Dai Qing

HK1912015191 Hong Kong SOUTH CHINA MORNING POST in English 19 Dec 91 p 14

[By Geoffrey Crothall in Beijing]

[Text] Foreign Minister Mr. Qian Qichen has accused Beijing's mayor and the city's Communist Party secretary of trying to sabotage his ministry's attempts to improve relations with the United States by ordering last month's detention of dissident journalist Dai Qing, according to sources in the capital.

Mr. Qian was said to be "furious" about the incident, which came during the visit by U.S. Secretary of State

Mr. James Baker, and has held mayor Mr. Chen Xitong and party secretary Mr. Li Ximing personally responsible for the debacle.

The two Beijing city leaders have also come under fire from China's top policeman, politburo member Mr. Qiao Shi, for their handling of the incident, the sources said yesterday.

However, Mr. Qiao's criticism of the two was probably motivated more by personal interest than a desire to improve Sino-U.S. relations, they added.

"Mr. Qiao is ultimately responsible for all of China's internal security operations. As such he had to shift the blame for the detention of Dai Qing on to someone else so as to save himself from the political fall-out the incident created," one source said.

In a major damage-control operation after the incident, in which Ms. Dai was held under house arrest for five days at the resort town of Beidaihe, the foreign ministry and public security bureau acted with remarkable speed and coordination to ensure that the award-winning journalist could take up a long-standing invitation to visit Harvard University.

Another dissident, Ms. Hou Xiaotian, who was also detained on the orders of the Beijing city government during Mr. Baker's visit, has also been given permission to leave the country.

Ms. Hou, the wife of jailed dissident Wang Juntao, was held for 24 hours on the outskirts of Beijing and released hours after Mr. Baker departed.

'News Analysis' Views U.S. Economic Slump

OW1912015391 Beijing XINHUA Domestic Service in Chinese 1508 GMT 17 Dec 91

["News Analysis" by reporter Fang Yinong (2455 5030 6593): "Will Tax Reductions Stimulate U.S. Economic Recovery?"]

[Text] Washington, 16 December (XINHUA)—Because the U.S. economy has been slow to recover from its slump, and the 1992 presidential election is approaching, the topic of tax reduction has become a controversial issue frequently discussed in the U.S. Congress. Both the Democrats and Republicans consider tax reductions as a panacea that will effect a miraculous cure of the U.S. economy from its current slump. It has been predicted that President Bush will also propose tax reductions and other measures aimed at stimulating economic growth in his State of the Union address to be delivered in January next year.

Most unofficial economists in the United States believe, however, that it would be difficult for tax reductions to promote economic recovery when the U.S. Federal Government is under the burden of a huge deficit.

The Democrats are calling for reducing middle class income taxes. The measure includes mainly increasing the bracket of tax exemptions for everyone and offering every family to be eligible for a tax reduction of \$800 for every child that it raises.

According to an agreement reached between the White House and Congress last year on slashing the budget deficit, any tax reduction measure must be balanced by a corresponding tax increase measure or retrenchment of government expenditures. In this connection, some people call for temporarily breaking through the above-mentioned agreement next year and making an effort to slash the deficit in the years after 1992. They maintain that the U.S. Government has adopted tax reduction measures or increased government expenditures to stimulate economic growth and produce certain effects during the eight post-war economic recessions.

The situation of the current economic recession in the United States is entirely different from the previous ones, because the U.S. Government is already heavily in debt. According to an official U.S. estimate, the Federal Government's budget deficit in fiscal year 1992, beginning 1 October this year, will reach as high as \$350 billion, pushing the Federal Government's total cumulative debt (national debt) up to an astronomical figure of \$4 trillion.

If the Democratic Party's tax reduction plan is implemented, the deficit of the Federal Government will certainly increase more next year. Generally speaking, governments raise funds by issuing bonds on the financial market to make up a deficit. They usually fix higher interest rates for bonds to encourage people to buy them. Meanwhile, commercial banks also have to raise interest rates for deposits to attract funds; and, as a result, their interest rates for loans rise as well. Soaring interest rates will dampen investment by enterprises and individual consumption and, thus, offset the stimulation caused by tax reduction.

The Republicans call for cutting taxes on the increment value of capital (taxes imposed on income from sales of shares, bonds, houses, and real estate). They maintain that such tax cuts will encourage people to sell and buy assets and, thereby, bring about economic growth; however, according to an estimate of the Joint Economic Committee of the Congress, such tax cuts will result in a decrease of over \$10 billion in tax revenues for the state treasury every year. In the end, government financial deficits will still expand. The Democrats strongly oppose reducing taxes on the increment value of capital, criticizing that it is only beneficial to the rich.

There are also some Republicans and Democrats who call for lowering investment taxes, maintaining that such a move will encourage enterprises to expand their investment in new technologies and new production facilities and, thereby, accelerate economic growth. Like the two plans mentioned above, however, this tax reduction plan will result in expanding government financial deficits.

For instance, lowering investment taxes for enterprises in 1986 cost the government a decrease of \$25 billion in revenues in that year.

Economists believe that, even if the U.S. Government is not under the burden of heavy debts, the three tax reduction plans can play but a limited role in stimulating economic growth as there is not much benefit they can bring to consumers every year. Consumers can enjoy a benefit of, at most, a little over \$10 billion from implementing these plans every year, economists believe, while the annual gross national product of the United States is over \$5 trillion.

As (Eugene Steward), an economist of the U.S. Urban Research Institute, said: "You must be out of your mind if you think that is enough to improve the U.S. economy."

Analysts maintain that the economic slump in the United States has been caused by a multitude of unfavorable factors—namely, heavy debt burden, consumers' lack of confidence in the economy, a persisting high unemployment rate, fund shortages faced by the banking industry, a slump in the real estate industry, financial difficulties faced by state and local governments, and so forth. It would be hard to produce a result if the United States depends on tax reduction measures alone for stimulating economic recovery.

Therefore, the above-mentioned tax reduction plans under discussion by the government and the public in the United States are proposed not so much for goading the U.S. economy to quicken its pace of recovery as for winning more votes from taxpayers in the year of presidential elections.

Electronic Firms Establish Ties With DuPont

HK1912055991 Beijing CHINA DAILY in English
19 Dec 91 p 2

[By staff reporter Xu Yuanchao: "DuPont Ups Sales in China"]

[Text] DuPont, an industrial giant of the United States, is seeking stronger business ties with China's electronics industry.

The company's sales in the sector are expected to hit \$5 million this year, China Daily learned from a Seminar on Du Pont Electronics in China, which closed in Beijing yesterday.

Joseph Wong, group manager for the electronics of DuPont China Ltd, said the company has established business ties with nearly 100 Chinese electronic firms since entering the China market four years ago. "We know China will give priority to the electronics industry during the Eighth Five-year Plan (1991-95) and focus on computers, colour television sets and telecommunications," he said.

"This will provide an opportunity for DuPont to cooperate with Chinese partners."

Don Barrett, DuPont's director for the Asian and Pacific Region, said at the seminar that the company's first plant started operation early this year in Shenzhen Special Economic zone, Guangdong Province.

The plant, solely funded by Du Pont, produces Riston dry films—a patented up-market product used to fabricate printed circuit boards.

In addition, DuPont has 27 manufacturing establishments in 11 countries and regions, including the U.S. Germany, Brazil, Mexico, France, Japan, Singapore, South Korea and Taiwan. These facilities represent a permanent investment of \$1.5 billion.

DuPont, one of the largest and most diversified industrial corporations in the world, has been in the electronics business for more than 20 years.

Soviet Union

Soviet Spokesman Denies Gorbachev's Resignation

OW1912092691 Beijing XINHUA in English
0906 GMT 19 Dec 91

[Text] Moscow, December 19 (XINHUA)—Soviet Presidential Spokesman Andrey Grachev denied a total report that Soviet President Mikhail Gorbachev had signed an undated resignation decree, TASS reported today.

The newspaper "NEZAVISIMAYA GAZETA" quoted "reliable sources" as saying that "on December 18 Mikhail Gorbachev signed a decree on his resignation. There is no date on the document, but it is expected to be put either on the day of the meeting in Alma-Ata (December 21) or next Monday."

"This does not correspond to reality" Grachev said.

Gorbachev said earlier that he would resign once a smooth transition from the Soviet Union to a new Commonwealth of Independent States has been ensured.

Gorbachev Suggests 'Civilized' Transfer of Power

OW1912035491 Beijing XINHUA in English
0235 GMT 19 Dec 91

[Text] Moscow, December 19 (XINHUA)—Soviet President Mikhail Gorbachev suggested today the Supreme Soviet of the USSR hold a final session to ensure "a civilized transfer of power to a new inter-state structure."

The suggestion came during a meeting Wednesday with the chairmen of both Soviet parliamentary chambers and heads of the parliamentary commissions, the TASS news agency reported.

TASS said the Soviet president planned to send a letter expressing his views on the present developments in the Soviet Union to a coming meeting in Alma Ata of republican leaders.

The meeting is scheduled for December 21.

Gorbachev stressed in the letter that the new state system should be a successor to the former one.

"Everything should be done according to the constitution and law," TASS quoted him as saying.

Belarus Proposes Open Borders in Commonwealth

OW1912033591 Beijing XINHUA in English
0303 GMT 19 Dec 91

[Text] Moscow, December 18 (XINHUA)—Belarus suggested today all the existing borders in the Commonwealth of Independent States be open and the properties of the former Soviet Union be divided proportionally.

The national policy and international relations committee of the Belarussian parliament made these suggestions in a supplementary bill for the establishment of the Commonwealth of Independent States TASS reported.

The properties to be divided, it suggested, should include the treasures, gold reserve, the State Currency Bureau, embassies and offices abroad, the State Bank, and the naval and commercial fleets.

A revision proposal made by the committee said those countries which violate human rights and the rights of the ethnic minorities, are in war state with others and have territory claims on others should be excluded from the Commonwealth.

The supplementary bill has been already submitted to the three republics' Supreme Soviets of the Commonwealth.

Kazakhstan 'Prepared' To Join Commonwealth

OW1912035691 Beijing XINHUA in English
0214 GMT 19 Dec 91

[Text] Moscow, December 18 (XINHUA)—Kazakhstan is prepared to join the Commonwealth of Independent States, at least economically, but would not settle for the role of junior partner or material provider for other regions, its president said today.

Nursultan Nazarbayev made his republic's stance known in a communique released after his Alma Ata talks today with visiting United States Secretary of State James Baker.

Any new future union would be possible only when set up on an equal basis, he said.

This meant equal rights and opportunities, but the Commonwealth's advocates appeared to lack full understanding on this point, he added.

It is difficult for us to accept that the forefathers of the Commonwealth would include only a few republics with the others as somehow subordinate to them, he said.

In commenting on the Minsk accord, Nazarbayev said any problems could be resolved through civilized methods based on complete equality.

He did however acknowledge positive aspects arising from the meeting of leaders from Belarus, Russia and Ukraine in Minsk on December 8.

These included striving to retain previous achievements and building up a united economic community, he said.

Owing to these positive factors, the Kazakh leader said he expected a compromise could be reached at the forthcoming Alma Ata meeting on December 21.

Those republics due to attend the Alma Ata gathering to discuss the new Commonwealth grouping are Armenia, Kyrgyzstan, Tajikistan, Turkmenia, Uzbekistan, Belarus, Russia, Ukraine and Kazakhstan.

Southeast Asia & Pacific

Office to SNC Begins Operations in Phnom Penh

OW1912103291 Beijing XINHUA in English
1022 GMT 19 Dec 91

[Text] Phnom Penh, December 19 (XINHUA)—China's representative office to the Supreme National Council of Cambodia [SNC] opened here today with a flag-hoisting ceremony attended by its ten members.

According to the reports here, the United Nations Advance Working Group to Cambodia also started to work today.

Sino-Laotian Border Trade Growing 'Rapidly'

OW1412142491 Beijing XINHUA in English
1245 GMT 14 Dec 91

[Text] Beijing, December 14 (XINHUA)—Trade across the Sino-Laotian border has grown rapidly this year, according to officials from the Border Trade Bureau in South China's Yunnan Province.

According to the bureau, the total volume of business on the Sino-Laotian border reached 28.7 million yuan (about 5.5 million U.S. dollars) in the first 10 months of this year, up 14.4 percent over the same period of 1990.

Of the total volume, exports were valued at 20.2 billion yuan and imports at 8.5 million yuan, according to the bureau.

Major exports include cement, reinforced steel bars, food, textiles, medicine, jeeps, bicycles, diesel engines, rice mills and household electrical appliances. Cement and reinforced steel bars account for about one third of the total volume.

Imports are mainly logs, coffee, perfume, sesame seeds and herbal medicine.

The trade has expanded from 177,000 yuan-worth in 1983 to 31.58 million yuan-worth in 1990, representing a yearly increase of 110 percent.

Yao Guozhu, deputy bureau chief, attributed the sharp increase to Yunnan's policy of opening wider to the outside world, boosting foreign trade and actively expanding economic relations with neighboring countries.

Traditionally, trade along the Sino-Laotian border has been conducted on a barter basis calculated in the Chinese currency. However, cash transactions started in the border areas in late 1989.

In addition, three asphalted roads have been built to link Yunnan's Mengla County with the highway network in Laos.

Potential Seen for Expanding Malaysian Business

OW1812111391 Beijing XINHUA in English
0904 GMT 18 Dec 91

[Text] Kuala Lumpur, December 18 (XINHUA)—Chinese investments in Malaysia have risen rapidly in the past two years and there is much potential for further expansion, Malaysian Deputy Minister of International Trade and Industry Chua Jui Meng said here today.

Chinese investment in Malaysia, standing nil before 1987, reached 13.8 million ringgit (5.11 million U.S. dollars) in the period 1987-1989 and, from 1990 to November 1991, Malaysia approved six projects involving capital investment of 407.2 million ringgit (150.86 million U.S. dollars), or an upsurge of 3,000 percent.

The Chinese have proposed three projects this year alone with a total investment of 379.6 million ringgit (140.6 million U.S. dollars) to manufacture iron-ore concentrates and steel slabs, [word indistinct], containers as well as hydraulic cylinders, valves and pumps, he added.

Addressing the opening ceremony of the Chinese Jiangsu Province Products Exhibition '91, Chua noted especially the small and medium industry (SMI) sector, which China can contribute to. He said that Chinese-made machinery and equipment in this area have not only scored high in terms of quality, precision and performance but also in terms of affordability.

China also has tremendous market potential for Malaysia's manufactured goods, especially those related to indigenous materials such as palm oil, rubber and tin, Chua said.

Regarding the exhibition, Chua said there appears sudden increase in the hosting of various trade exhibitions, tourist-related activities and exchange of trade

delegations between Chinese and Malaysian businessmen as a result of the gradual opening-up of bilateral trade and economic relations.

Chua told reporters that the Malaysian-Chinese business momentum takes place in an environment of encouraging economic growth in the east Asia region.

The Jiangsu Exhibition, first ever held in Malaysia, covers over 1,000 commodities including textiles, knitwear, apparel, handicrafts, medicines, metals, chemical goods and machinery and runs until December 23.

Shipping Company To Increase New Zealand Service

*OW1712140391 Beijing XINHUA in English
1323 GMT 17 Dec 91*

[Text] Wellington, December 17 (XINHUA)—China Ocean Shipping Corporation (COSCO) has decided to increase from next year its container shipping services to New Zealand to three calls a month from the current fortnightly calls.

COSCO—New Zealand, a full COSCO-owned enterprise in New Zealand, was established three months ago. Before September, COSCO carried out its services through agencies.

Shipping services of COSCO-New Zealand's ocean-going freighters are available at Auckland, Napier and Christchurch.

As a fully foreign-owned enterprise in New Zealand, the Auckland-based company has had all its staff employed from among New Zealanders rather than from China in the three offices in Napier, Christchurch and Wellington.

COSCO, China's largest and one of the world's biggest ocean shipping giants, boasts a fleet of 700 ships with subsidiaries established in almost all the major harbors in the world.

Near East & South Asia

Iranian Parliament Speaker Continues Visit

Denies Nuclear Ties

*LD1812180891 Tehran IRIB Television First Program
Network in Persian 1530 GMT 18 Dec 91*

[Excerpt] Mr. Karrubi, Islamic Consultative Majles speaker, participated tonight in a news conference answering questions from Chinese and a number of Western media representatives on relations between Iran and China as well as Middle Eastern and international issues. He referred to the meetings of the Iranian officials with the officials of the People's Republic of China, and termed the outcome of those talks, held on different issues, as positive. The Islamic Consultative Majles speaker, in response to a Western correspondent in Beijing who asked him about rumors of nuclear cooperation between Iran and China, said: Those rumors have

been fabricated by Western arrogant powers and are not true. Mr. Karrubi referred to Resolution 598 and the issues of the Middle East and the Persian Gulf and said: Iraq has been recognized as the aggressor, and China, as a Security Council member, can play an effective role in following up and implementing the other articles of that resolution. The Islamic Consultative Majles speaker also termed the cooperation of Third world countries as a factor which would stop U.S. domination throughout the world, particularly in the Middle East and Persian Gulf. He added: The solution of the problem of Palestine can be achieved by putting an end to the sovereignty of Zionist regime. [passage omitted]

Tells Muslims of Need for Unity

*NC1912081591 Tehran Voice of the Islamic Republic
of Iran First Program Network in Persian 0330 GMT
19 Dec 91*

[Telephone report by unidentified correspondent from Beijing—recorded]

[Text] Majles Speaker Karrubi, currently in Beijing, met with a group of Muslims and clergymen from various Chinese cities at the Iranian Embassy in Beijing last night. He gave a speech and referred to the world's 1 billion Muslims, saying: Despite their immense natural and mine resources and great wealth, Muslim countries are facing many problems because they are dispersed and lack coordination.

The Majles speaker also discussed the situation of the Palestinian, Lebanese, Kashmiri, and Afghan Muslims: The problems of these countries' Muslims stem from the lack of coordination among Islamic states. He added: To achieve Islamic grandeur and Muslim rights, unity and coordination among all Muslims throughout the world is a serious requirement.

Karrubi added: Iran feels a sense of responsibility toward all Muslims throughout the world and considers itself a partner in their problems, adversities, and fate. He added: Unity and fraternity among Muslims and further efforts by the Islamic 'ulema and scholars will revive Islam's grandeur in the world and the Muslims' pride.

Before Karrubi's speech, the Iranian ambassador in Beijing reported on the living conditions, the observation of rites, and the activities of China's theological schools.

Majles Speaker Karrubi and his delegation are to leave for the Muslim-inhabited area of Xinjiang in South China this morning to meet with the people there.

Leaves Beijing for Shenzhen

*OW1912082591 Beijing XINHUA in English
0742 GMT 19 Dec 91*

[Text] Beijing, December 19 (XINHUA)—Mehdi Karrubi, speaker of the Iranian Islamic Consultative

Assembly, left here for Shenzhen, south China, by special plane today. Seypidin Aze, vice-chairman of China's National People's Congress (NPC) Standing Committee, was present at the airport to see Karrubi off.

Karrubi, who arrived here Monday as guest of the NPC Standing Committee Chairman Wan Li, is also scheduled to visit Guangzhou.

Paper Views Effects of Improved Indian Ties

*HK1612001091 Hong Kong TA KUNG PAO
in Chinese 15 Dec 91 p 2*

["Weekly Roundup" by Kung Yao-wen (7895 5069 2429): "Effects of Improved Sino-Indian Relations on the World"]

[Text]

International Situation as the Background

In the wake of the accelerating disintegration in the Soviet Union, the making of a unified Western Europe, the reconciliation between South and North Korea, and the new changes brewing in the international situation, Chinese Premier Li Peng arrived in New Delhi last week to pay an official visit to India, the first a Chinese leader has paid in the past 31 years. As of 13 December, the continuing visit had already made some great achievements.

The reconciliation between China and India, two sizeable countries whose combined population makes up two-fifths of the world's total population, and these two countries' reiteration of the Five Principles of Peaceful Coexistence as the basis of the new international order, will have great influence which cannot be ignored in the future. The Chinese and Indian leaders, with a population of 2 billion behind them, have aired their resounding and strong views through this latest round of talks between them. The cooperation and friendship between these two largest Asian countries will prove to be a powerful and sustained factor contributing to peace in Asia and the world. Although China and India are still facing the suspended border issue between them, an understanding has been reached through the current talks between Chinese and Indian Government heads. That means both sides hope to maintain peace and stability along their common border. So long as the two sides continue to observe the spirit of seeking common ground while reserving differences and mutual understanding and mutual accommodation, and will keep up consultations between them, the border issue is bound to be resolved in the end. An important thing is that it is necessary to ensure that this issue will not hinder the development of normal relations. The idea first to strengthen economic, cultural, and scientific and technological exchange is absolutely feasible and in keeping with the interests of the two countries. It was abnormal that interests in bilateral cooperation between China and India were affected by the border issue in the past. In view of their history—especially the experience in the

modern times of the two countries which shared a common fate, both belong to the Third World, and both are enduring the pressure arising from their large populations—China and India are facing similar national conditions in their efforts to strive for survival and seek development.

The Two Sides Share Common Understanding on Human Rights Issue

In the past, China and India had disputes over the border issue. To quite a large extent this was because the Soviet Union, then under Brezhnev's rule, and other Western forces, did everything they could to sow discord between the two countries, out of anti-Chinese motives. Today, such a background is gone or is vanishing. While the Soviet Union has disintegrated, with its fate hanging in the balance, the United States, after the Gulf War and the drastic changes in the Soviet Union, has posed as the only superpower of the world and has been trying to force its will on others, the most prominent example being that the United States has kept on interfering in other countries' internal affairs, in an attempt to force its views on others by economic means, under the pretext of promotion of democracy and free trade.

The United States just wants to set the U.S. standards as the basis of the new international order. Such a practice, which disregards other countries' national conditions, will naturally meet resistance. During his talks with Premier Li Peng, Indian Prime Minister Rao complained: "The West's concept of human rights is subject to a great many limitations, which India can hardly accept in full. Neither India can accept the West's proposition that takes the 'human rights issue' as a precondition for extension of financial aid and development of trade." Before that, the Indian prime minister told a meeting of the 15-nation group: "To developing countries, human rights first of all mean the right to development."

Indian Prime Minister Declares That Tibet Is a Part of China

China and India, as the most populous countries in the world, are each bearing a heavy population burden. This being the case, China holds to the concept that the foremost human rights are the right to subsistence and the right to development. These are the common issues that many Third World countries are facing these days. Now that the Indian prime minister also criticizes the West's concept of human rights for its great limitations, it points out the fact that some U.S. politicians either have little knowledge of the practical difficulties in those populous countries, or they just have some ulterior motives and hope to achieve their political objectives in exerting pressure on others.

In the past, there were some other issues which caused disagreement between China and India and which may hurt Sino-Indian friendship. One of these issues is related to those Tibetans living in exile in India who

have publicly launched all kinds of anti-Chinese activities from the country. During Li Peng's current visit to India, some Tibetan exiles, all followers of the Dalai Lama, repeatedly staged demonstrations. Referring to these activities, Prime Minister Rao reiterated: "The Indian Government acknowledges [cheng ren 2110 6126] Tibet as one of China's autonomous regions, a part of China's territory. The Indian Government will not allow Tibetans to conduct any political activities against the Chinese Government on Indian territory." This remark clarifies the Indian Government's stance on the Tibet issue, and the Chinese are satisfied with it.

Important Agreements Between the Chinese and Indian Premiers

During their latest talks the Chinese premier and the Indian prime minister concluded several important agreements: 1) in the spirit of the 1988 joint communique, the two sides will actively develop their bilateral relations and seek to settle issues concerning the future; 2) to continue to maintain peace and stability along the border between the two countries, the already established working committee for the settlement of the border issue will continue to work out some specific measures to promote mutual trust; 3) the work committee will meet as soon as possible next year; and 4) the two sides have agreed that the border issue should not remain an obstacle to the development of Sino-Indian relations.

The Sino-Indian working committee for settlement of the border issue has met once a year since 1988. The current talks between the Chinese and Indian prime ministers have endorsed the agreements concluded through the last three meetings of the work committee. This implies that the suspended Sino-Indian border issue will be solved sooner or later.

The Chinese and Indian premiers and the appropriate ministers have signed five agreements and memoranda during the current visit: 1) the memorandum on the resumption of bilateral border trade between China and India; 2) the agreement to reestablish consulates-general in Bombay and Shanghai; 3) the consular convention; 4) the 1992 Sino-Indian trade protocol; and 5) the memorandum of understanding on cooperation in the peaceful application of outer space, science, and technology. Certainly, these five documents will give great impetus to the development of substantial cooperation between China and India in the economic and technological fields.

During his stay in India, Li Peng also made some remarks about the Dalai Lama, reiterating once again that he is welcome to return to China as long as he gives up his attempt to achieve independence for Tibet. This is a clear reply to certain Western countries that wish to use the Dalai to stir up nationalist feelings in Tibet. The drastic changes in the international situation has no

doubt helped bring about the improvement in Sino-Indian relations, and the significance of this development will be shown clearer in the future.

Supreme Court Delegation Leaves for Pakistan

*OW1912035291 Beijing XINHUA in English
0221 GMT 19 Dec 91*

[Text] Beijing, December 19 (XINHUA)—A Chinese Supreme People's Court delegation left here today for Pakistan on a week-long goodwill visit.

The delegation, led by vice-president of the Supreme People's Court Zhu Mingshan, went to Pakistan at the invitation of Chief Justice of the Supreme Court of Pakistan Mohammad Afzal Zullah.

Bahrain Ambassador Hosts National Day Reception

*OW1712004291 Beijing XINHUA in English
1419 GMT 16 Dec 91*

[Text] Beijing, December 16 (XINHUA)—Ambassador of the State of Bahrain to China Husayn Rashid al-Sabbagh and his wife gave a reception here this evening to mark the 20th anniversary of the national day of their country.

Attending the reception were Liao Hansheng, vice-chairman of the Standing Committee of China's National People's Congress and diplomatic envoys in Beijing.

CPC Representative Leaves for Sri Lanka

*OW1212054991 Beijing XINHUA in English
0251 GMT 12 Dec 91*

[Text] Beijing, December 12 (XINHUA)—Li Chengren, deputy head of the International Liaison Department of the Central Committee of the Communist Party of China (CPC), left here today for Sri Lanka to attend the 37th annual meeting of the United National Party (UNP) of Sri Lanka as a representative of the CPC.

Li went at the invitation of the UNP, Sri Lanka's ruling party, with which the CPC established relations in 1985.

Water Supply Contract Signed With Sri Lanka

*OW1412212491 Beijing XINHUA Domestic Service
in Chinese 1702 GMT 13 Dec 91*

[By reporter Li Zheng (2621 2398)]

[Text] Colombo, 13 December (XINHUA)—The governments of China and Sri Lanka signed a contract here today on the construction of a water supply project in Chilaw Town, Sri Lanka.

Sirisena Cooray, Sri Lankan Minister of Housing and Construction, and Zhang Lian, Chinese Ambassador to Sri Lanka, attended the signing ceremony.

According to this contract, the Chinese Government will provide loans, and the China National Import and Export Corporation for Complete Sets of Equipment will undertake the construction of a water supply project which will supply 7,200 tonnes of water daily. The area of the water treatment plant is to be 1.2 hectares, with a built-up area of 1,684 sq meters, in addition to having about 87 km of pipes. The total project investment will be 37.52 million yuan.

In recent years, according to agreements signed by the governments of China and Sri Lanka, there have been three water supply construction projects using loans from China. The Polonnaruwa Water Supply Project was completed and began operation in December 1988. The Puttalam Town Water Supply Project was officially begun in August 1991, and is progressing relatively quickly at the moment.

After the signing ceremony, Minister Cooray said: The construction projects aided by China enjoyed rapid progress and high quality. He expressed his satisfaction on both counts and hoped that the Chilaw Town Water Supply Project would begin construction as soon as possible.

Sub-Saharan Africa

'Roundup' on Achievement of Peace in Angola

OW1912111591 Beijing XINHUA in English
1029 GMT 19 Dec 91

["Roundup" by li fuxiang: "1991—Year of Peace for Angola"—XINHUA headline]

[Text] Luanda, December 19 (XINHUA)—The year of 1991 will go down in the post-independence history of Angola as a year of peace when 10 million Angolans began to enjoy peace for the first time 16 years after the country gained independence from Portugal in 1975.

A peace agreement signed by the Angolan government and the National Union for the Total Independence of Angola (UNITA) in Lisbon of Portugal on May 31 ended a 16-year-long civil war. The war caused 100,000 casualties, created hundreds of thousands of refugees and devastated the Angolan economy.

A peace process which began after the signing of the peace accord, an outcome of direct negotiations between the government and UNITA under the mediation of Portugal, the United States and the Soviet Union has so far progressed step by step, though not smoothly.

A ceasefire, which took effect on May 15, has been observed by both sides and no armed clash between the armed forces of the two sides has ever been reported since then although clashes between members of the ruling Popular Movement for the Liberation of Angola (MPLA) and the UNITA occurred from time to time.

Angolan President Jose Eduardo Dos Santos has said the relationship between the armed forces of the two sides has proved better than initially expected.

Under the peace accord, the UNITA has recognized the government and the government recognized the UNITA as a legal opposition party.

Confinement of troops of both sides to designated areas began in August, two months after the signing of the peace accord. So far, about 65 percent of the troops of the two sides have been encamped.

A joint politico-military commission, made up of representatives of the Angolan government, the UNITA, Portugal, the United States and the Soviet Union to oversee the progress of the peace process, started functioning in June. In the same month, peace-keeping troops and policemen dispatched by the United Nations to verify and monitor the implementation of the ceasefire agreement in Angola started arriving in the country.

Nearly 30 political parties have emerged in Luanda since May this year when a political parties act legally introducing a multi-party system in Angola took effect.

These parties, which are now busy making preparations for the general elections scheduled for September next year, have demanded a say in the country's political affairs and a break of the monopoly of politics by the ruling MPLA and the UNITA, now the largest opposition party in the country.

In September, UNITA leader Jonas Savimbi visited central Angola and capital Luanda for the first time in 16 years and in November a UNITA provincial office was set up in Luanda. The UNITA headquarters are expected to move to Luanda by the end of the year.

Removal of mines started in June and now major highways could be used for traffic. Trains from Luanda can now reach the provincial capital of Malange in the north while the Benguela railway in central Angola is well under repair.

With more and more peasants who fled to cities during the civil war now returning to their home areas, agricultural production is being restored gradually.

Major hurdles that may impede the progress of the peace process in Angola lie in two aspects, the confinement or encampment of troops and the extension of the government's administrative power to areas under UNITA control.

The government and the UNITA should have completed encampment of their troops by early August in line with the peace accord. However, only 65 percent of the troops of the two sides have been encamped so far.

The delay in the encampment of troops deferred the demobilization of troops and establishment of a national defense force and also weakened the mutual confidence in each other.

The extension of administrative power of the government to UNITA-controlled areas, which should have started on May 31, the day the peace accord was signed, actually started as late as on November 29. The delay in this exercise deferred the national population census and registration of voters to be done in preparation for the general elections next year.

Economically, the shift to market economy which started in November without adequate preparations is likely to bring hardships to bear on Angolans next year.

This, together with the demobilization of about 250,000 troops, the expected return of hundreds of thousands of refugees and the presidential and general elections, constitute major challenges to the Angolan government in 1992.

Despite difficulties and obstacles in the way, local political analysts believe the peace process in Angola is now irreversible as Angolans now do not want a repeat of the sufferings caused by the civil war.

NPC Delegation Ends Visit to Kenya

*OW1212045391 Beijing XINHUA in English
2042 GMT 11 Dec 91*

[Text] Nairobi, December 11 (XINHUA)—A delegation from the Chinese National People's Congress (NPC) left here for home tonight after a six-day visit to Kenya.

During their stay in the country, the delegation led by Sun Qimeng, vice-chairman of the NPC Standing Committee, were received by Kenyan President Daniel Arap Moi and held talks with officials of the National Assembly of Kenya.

The Chinese delegation also visited Namibia before they came to Kenya.

West Europe

Li Peng Discusses Importance of French Relations

*CM1912162291 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 19 Dec 91 p 1*

[XINHUA report by correspondent Ding Qilin: "Li Peng Meets French Industry and Trade Minister-Delegate, Says China Attaches Importance to Relations With France"—RENMIN RIBAO headline]

[Text] Beijing, December 18 (XINHUA)—Chinese Premier Li Peng said today that China attaches importance to its relations with France.

Li made the remark during a meeting with visiting French industry and trade minister-delegate, Dominique Strass-Kahn, and his party in Ziguang Pavilion, Zhongnanhai this afternoon.

The premier said the smooth development of Sino-French relations has not come easily since the establishment of diplomatic ties in 1964 and should be cherished by both sides. According to a Chinese official attending the meeting, Li said, there is an important principle underlying the development of Sino-French relations, that is, seeking common ground while limiting their differences.

The development of cooperative relations of mutual interests between the two countries will be guaranteed provided the principle is scrupulously abided by, Li said.

China is willing to expand its economic and trade relations with France, said the premier. Li hoped that both sides will explore the chances of expanding such relations on the basis of the talks between Strass-Kahn and his Chinese counterpart.

He said, there are some possibilities that China will increasingly import certain commodities from France.

China and France now have two big cooperative projects—the second automobile works and the Jaja Bay nuclear power station, said Li. He added that China welcomes French industrial circles to participate in its key development projects, including petro-chemical industries.

During the meeting, Strass-Kahn said that he had fruitful talks with Li Lanqing, Chinese minister of foreign economic relations and trade.

The French Government attaches importance to its relations with China, said Strass-Kahn. He hoped that economic and trade contacts between the two countries will be further strengthened.

He said the members of his delegation feel happy about China's economic development. France is willing to consider more direct imports from China, he added.

The French side expressed the hope that China's status of signatory state to the General Agreement on Tariffs and Trade (GATT) will be restored as early as possible, Strass-Kahn said. After this problem is resolved, he added, the question concerning Taiwan's joining in GATT can be considered.

Li Peng expressed appreciation over this.

France Ties Aid to Greater Trade Balance

*HK1812151991 Hong Kong AFP in English
1459 GMT 18 Dec 91*

[Text] Beijing, Dec 18 (AFP)—France will reduce its financial aid to China if Beijing fails to take steps to balance trade between the two countries, the French trade and industry minister told Prime Minister Li Peng on Wednesday.

France says it has a trade deficit of around 10 billion francs (1.85 billion dollars) with China.

Beijing maintains that it has a trade deficit with France, and France explains the discrepancy by saying China excludes exports shipped via Hong Kong from its figures. China is responsible for one third of France's entire trade deficit. Paris is to provide China with 2.14 billion francs (400 million dollars) this year, making it the second biggest provider of funds to the country.

"France considers it hasn't been paid in return," Dominique Strauss-Kahn told reporters after meeting Li, saying he had asked that China increase its purchases of French goods.

Li committed himself to promoting the European Airbus consortium, even though China has shown a strong preference for Boeing aircraft.

Strauss-Kahn said France supported China's demand that it become a member of the General Agreement on Tariffs and Trade before Taiwan.

He also reiterated the demand made to Beijing in April by France's Foreign Minister Roland Dumas for a general amnesty for dissidents imprisoned since the crack-down on the democracy movement in June 1989.

Li reaffirmed Beijing's position that such calls constituted interference in China's internal affairs, saying the country did not wish to find itself in a situation of "chaos" as in Yugoslavia or the former Soviet Union.

Strauss-Kahn, who arrived in Beijing on Tuesday, is the sixth member of the French Government to visit China this year, even though relations have not been officially fully normalised since the suppression of the Beijing democracy movement.

Tuesday evening, he had talks with his Chinese counterpart Li Lanqing, during which he also discussed balancing Sino-French trade.

He is due to visit Guangzhou in southern China on Thursday before travelling to Hong Kong on Friday.

Sino-French Wine Venture Makes Large Profits

OW1712153491 Beijing XINHUA in English
1428 GMT 17 Dec 91

[Text] Tianjin, December 17 (XINHUA)—Sino-French Dynasty Winery Co. Ltd., the first Sino-Foreign joint venture established in Tianjin, has been making big profits in the past few years.

In the first 10 months this year, the company has sold more than 2.2 million bottles of "Dynasty" brand grape wine, making a profit of 6.67 million yuan while making for the state tax revenue of about 8.4 million yuan.

The Sino-French venture is cooperated by China's Tianjin Vineyard and the Remy Martin Far East Ltd Company of France. The joint venture became operational in May, 1980.

In the past 10 years, its products have increased from one variety to 15 varieties of three series. And its annual production capacity is up from 100,000 bottles to 2.4 million bottles.

The products of the joint venture also won 12 international golden prizes and 7 golden prizes at state level.

Xu Wen Heng, president of the joint venture, said in the 90s the company is to introduce the most advanced fermentation facilities from Italy in a bid to reach an annual production capacity of 10 million bottles.

Sino-French Furniture Firm Begins Operating

OW1912090491 Beijing XINHUA in English
0814 GMT 19 Dec 91

[Text] Beijing, December 19 (XINHUA)—The Helin Furniture Corporation Ltd., a Sino-French joint venture manufacturing modern furniture, has passed appraisal by the Heilongjiang Provincial Government and is scheduled to go into production next month.

The joint venture, located in northeast China's Heilongjiang Province, was a key project of the province in the Seventh Five-Year Plan period (1986-90) with a total investment of 168 million yuan (33 million U.S. dollars).

It has five imported production lines of 1980s' world advanced technologies to make European-style furniture. Its annual total production value is 146 million yuan (29 million U.S. dollars).

During its trial production, its products have sold well at home and in overseas markets. Its furniture has been exported to European countries, and its shaving board exported to Japan, Singapore, South Korea and Hong Kong.

XINHUA Views France's 'Economic Stagnancy'

OW1912104291 Beijing XINHUA in English
0942 GMT 19 Dec 91

[By Wang Yunjiu, Xu Zhenqiang]

[Text] Paris, December 19 (XINHUA)—France in 1991 took on a new prime minister but failed to shake off the economic stagnancy and social crisis that had troubled the country for a long time.

When Mrs. Edith Cresson became the occupant of "Hotel Matignon" last May, she pledged to revitalize the economy and create more job opportunities so as to settle the protracting social crisis caused by heavy unemployment.

She promised to have France catch up with Germany economically within a short period of time by making its industry stronger and more competitive.

The situation in the past six months, however, demonstrated that she failed to realize her ambitious plans.

The economy continued to slide down this year and showed no signs of recovery. In 1990, France scored a growth of 2.6 percent, compared with 3.7 percent in 1989. This year, the situation was even worse. The growth was estimated at 1.4 percent, 50 percent lower than the gain of last year and falling short of the projected 2 percent.

French economists maintained that the unenviable situation, while inseparable from the overall recession plaguing all Western countries, was not unrelated to the austerity policy carried out by the Cresson government.

Although the policy was effective in controlling the inflation rate within 3 percent, which was among the lowest in EC countries, it proved unfavorable to enterprises in increasing productive investment and effecting enlarged reproduction, as high interest and tax rates, price and wage control and cuts in budgetary deficit were all shackles for the dynamics of business.

A study by the French Institute of Statistics and Economy showed the domestic industrial investment this year was down 9 percent from the last year's level to 50 billion francs. Most enterprises had to lay off employees and limit wage hikes in order to be competitive.

In the countryside, the average income of farmers this year dropped by a record 7.3 percent since 1983. Agriculture now only accounted for 4 percent of gross domestic product. Recently, due to the EC decision on lower price for farm products, and the flooding of French market with agricultural and animal products from East European countries, more and more French farmers become heavily in debt. Many farms went bankrupt.

In foreign trade, France failed to put an end to the occurrence of deficits. The trade deficit this year was expected to stand at 35 billion francs, as compared with last year's 50 billion francs. The improvement was largely attributed to Germany's increased import from France and a cut of 4 billion francs in France's material imports this year.

The weak economic growth aggravated unemployment. According to statistics released by the French Ministry of Labor, 2.796 million people were jobless at the end of October, accounting for 9.7 percent of the workforce—the highest rate in French history. The figure far surpassed the average 6.5 percent unemployment rate for the seven major Western industrial countries.

Worse still, the number of long-time jobless workers increased 11 percent within a year, accounting for 39 percent of the jobseekers. The long-time jobless class posed a threat to the stability of French society.

The worsening economic situation and the threat of unemployment worried all strata of the society.

Starting from last fall, demonstrations and strikes happened one after another. Workers, farmers, teachers, doctors, nurses, stewardesses, government functionaries,

lawyers and even policemen took to the streets in demonstrations for higher wages and better working conditions.

These protest activities had rarely been seen in recent years in terms of magnitude, the number of participants and impact. Violence was reported in some of these cases.

To relax the tension of society, the French Government had to make an additional appropriation to support agriculture and other public spendings.

Last month, the government announced that the budgetary deficit of 1991 would reach 99.9 billion francs, 19.2 billion more than what had been originally planned.

The economic recession weakened parliamentary support for the Cresson government. When the National Assembly discussed the 1992 budget bill last month, the government failed to win a majority support for the budgeted expenditures for 19 out of 24 departments. It managed only by invoking a constitution clause that enabled it to circumvent a voting in the National Assembly.

Recent public polls showed that the support rate for Cresson had dropped to 26 percent from 43 percent six months ago. The non-confidence rate increased to 69 percent from 24 percent. Among the prime ministers from the Socialist Party since 1981, Cresson enjoyed the lowest prestige.

Most French people were pessimistic about the economic situation next year. Economic observers believed that a recovery would largely depend on the overall situation in the west. They estimated that next year would see a moderate economic growth of about 2.4 percent but a higher unemployment rate.

CPC Central Committee at Greek CP Congress

OW1912014891 Beijing XINHUA Domestic Service
in Chinese 0318 GMT 18 Dec 91

[By reporter Li Chenggui (2621 2052 6311)]

[Text] Athens, 17 December (XINHUA)—Mao Zhiyong, CPC delegate, member of the CPC Central Committee, and secretary of the Jiangxi Provincial CPC Committee, presented the CPC Central Committee's message of congratulations on the 14th Extraordinary Party Congress of the Communist Party of Greece [CPG] to Kostas Voulgaropoulos, member of the Central Committee and Secretariat of the CPG, in Athens on 17 December.

The congratulatory message noted: "The CPG has a glorious history of struggle. It has made unremitting efforts to uphold national independence, safeguard world peace, protect the legitimate rights and interests of the working people, and promote social progress and socialism for a long time. Today, under extremely complicated and difficult conditions, the CPG has adhered

to its principles, persists in the struggle, and makes vigorous efforts to explore the way for promoting social progress in Greece. We sincerely wish the CPG members will continuously make new progress in the pursuit of their own just cause."

"Wish the 14th Extraordinary Party Congress of the CPG a success. May the friendship between the peoples of China and Greece and between communists of the two countries continue to improve."

The four-member CPC delegation headed by Mao Zhiyong arrived at Athens on the afternoon of 17 December at the CPG's invitation. They are scheduled to participate in the 14th Extraordinary Party Congress of the CPG opening in Athens on 18 December.

Kostas Voulgaropoulos, member of the Central Committee and Secretariat of the CPG, greeted the Chinese guests at the Athens airport.

During an interview by Greek reporters at the airport, Mao Zhiyong said he brought the best wishes from the Chinese people and the CPC members to the Greek people and CPG members.

During an interview with reporters from the XINHUA NEWS AGENCY, Voulgaropoulos said: "The CPG's upcoming party congress will be held under extremely difficult domestic and international conditions. The arrival of delegations from the CPC and some other parties which will participate in our party congress are a great support to us. We believe that, if communists all throughout the world unite as one, they will definitely be able to surmount the present difficulties, and socialism will definitely prevail."

The 14th Extraordinary Party Congress of the CPG is scheduled to be held in Athens from 18 to 22 December.

Political & Social

Deng, Chen Yun 'Plotting' Strategy in Shanghai

HK1912050291 Hong Kong SOUTH CHINA
MORNING POST in English 19 Dec 91 p 14

[By Geoffrey Crothall in Beijing]

[Text] Two of the most powerful men in China are in Shanghai apparently plotting different strategies for the country's future development, sources in the eastern metropolis have claimed.

Patriarch Mr. Deng Xiaoping is said to be living at the opulent Xijiao State Guesthouse while his conservative rival, Mr. Chen Yun, has installed himself in the equally well-appointed Hongqiao Guesthouse.

Despite being virtual neighbours, the two octogenarians are apparently not talking to each other, the sources say.

Mr. Deng has reportedly summoned the leaders of the Shanghai city government, Mayor Mr. Huang Ju and Party Secretary Mr. Wu Bangguo, to his guesthouse and given them a pep-talk on the need to boost reform.

Mr. Chen on the other hand has kept a lower profile, using the Prime Minister, Mr. Li Peng, also recently in Shanghai, as a conduit to convey his views on the economy to the city's leaders.

The Primer Minister told Shanghai's leaders the city had been ignored by former party general-secretary Mr. Zhao Ziyang during the 1980s and that if they wanted to benefit from the central Government's policies in the 1990s they should adopt the conservative model of economic reform proposed by Mr. Chen, Shanghai Government sources said.

Mr. Li's message was apparently not well received however, and Shanghai's leaders decided to adopt Mr. Deng's more radical plans for economic development.

Bolstered by Mr. Deng's support, a government official, Mr. Zhou Ke, told a meeting of state-run enterprise managers last week they were not only factory managers but "revolutionary reformers" as well.

The remarks were reported in the Shanghai Government's official mouthpiece, the LIBERATION DAILY [JIEFANG RIBAO], under a headline "Welcome the New Spring of Socialist Enterprises".

Mr. Deng's tactics of using Shanghai as a base to further bolster his reformist policies have been compared by political observers in the city with the behaviour of Mao Zedong in his later years.

One foreign observer said: "Every time Mao wanted to sort something out in Beijing, he came down to Shanghai; now it appears that Deng Xiaoping is doing the same. Of course, Mao's actions led to the Cultural Revolution; hopefully, Deng's intervention will lead to something more positive".

Mr. Deng has recently been joined at the Xijiao Guesthouse by former president Mr. Li Xiannian and analysts stay the decision by Mr. Li, who is not known for his liberal views, to stay at the Xijiao rather than the Hongqiao Guesthouse is an indication that Mr. Deng is gaining the upper hand in his battle with Mr. Chen.

A Western diplomat said: "The battle lines have been drawn and it will be very interesting to see what happens in the next few months."

Intellectual Property Protection Efforts Develop

HK1912092891 Beijing RENMIN RIBAO in Chinese
16 Dec 91 p 3

[Report by correspondent Jiang Jianke (5592 1696 4430): "Work To Protect Intellectual Property Rights Develops Soundly in China"]

[Text] Beijing, 15 Dec (RENMIN RIBAO)—The Chinese Government has always attached great importance to the protection of intellectual property rights. Over the past decade of reform and opening up, relevant state organs have made fruitful efforts in three major fields of intellectual property rights including patent, trademark, and copyright, thus bringing about a healthy development to China's protection of intellectual property rights, and giving impetus to economic development and international exchanges.

Statistics provided by relevant departments show that in recent years, the number of applications for patents in China has increased steadily at an average annual growth rate of 24 percent, and the entire process of examination and approval has also been accelerated accordingly. This year's number of application for patents is estimated to exceed 47,000, while cases to be concluded upon examination, 20,000, topping a historical record. The number of overseas applications for patents from 66 countries and regions has reached 33,330, accounting for 16.5 percent of the total. Patent work has made progress of varying degrees in fields from propaganda, training, agency, historical documents, automation, and assessment to arbitration and judicial ruling of disputes, as well as implementation, management, teaching, and theoretical study of patents. The revision of the Patent Law is also progressing smoothly. It has been learned that the revised Patent Law is to extend the protection period of patents from 15 to 20 years, starting from the date of application. This move encourages advanced industrialized countries make technology transfers in China.

Meanwhile, China's undertaking of trademark matters is also making a healthy headway. The State Administration of Trademarks resumed the system of unified trademark registration across China on 1 November 1979. By the end of this year, the number of effective registered trademarks in China is estimated at 310,000, nearly 11 times that at the end of 1979. The number of foreign countries and regions which register their trademarks in

China has increased from 18 in 1979 to 62 this year, while the number of their registered trademarks, from 5,130 to 60,000 this year.

At present, contingents of trademark management personnel are being gradually set up and perfected in industrial and commercial administrations at the provincial, prefectural, and county levels, with a total full-time management personnel of some 60,000. These trademark management personnel have inspected key areas in order to crack a number of cases of forged cigarettes, wine, bicycles, watches, and garments; at the same time, they have also carried out serious investigations into cases of counterfeiting goods of well-known foreign brands, thus effectively protecting the legitimate interests and rights of authorized trademark users and the vast numbers of consumers.

Since its formal establishment in March 1990, China's Copyright Research Association has made vigorous efforts to create conditions for the legislation, theory, and practice of copyright. Over the past year and more, to attain a smooth implementation of the "Copyright Law" and protect the legitimate interests and rights of copyright holders, China has started to work out supporting rules and regulations to the "Copyright Law," including "Stipulations Regarding Implementation of the Copyright Law," "Stipulations Regarding Protection of Software," "Stipulations Regarding Disputes Over Copyright Contracts," and "Stipulations Regarding Administrative Punishment of Copyright." The State Administration of Copyrights has also engaged in setting up collective copyright management organs and foreign-related copyright agencies, with the aim of establishing normal international copyright relations with foreign countries and undertaking international duties concerning copyrights. ZHUZUOQUAN [COPYRIGHT] magazine also started formal publication this year.

Articles on Human Rights Conditions, White Paper
HK1912083891 Beijing RENMIN RIBAO in Chinese
13 Dec 91 p 5

["Human Rights Forum" by Dong Yunhu (5516 0061 5706): "Facts Speak Louder Than Words"]

[Text] What are the human rights conditions in China? This is an issue about which the "guardians of human rights" in the Western world have confused black and white. The White Paper has elaborated, using a host of facts, on the fundamental changes, and historic progress, that have been made in China's human rights conditions since the founding of New China. It shows that the Chinese people, who have stood on their feet, have justice on their side with regard to the human rights issue. The White Paper is the plain and comprehensive charter for the Chinese people in protecting human rights and safeguarding their sovereignty.

First, with a host of historical facts, the White Paper has exposed the lies of the Western "guardians of human rights" in their solicitude for human rights in China. As

the saying goes: Facts speak louder than words. The most prominent characteristic of the White Paper is reliance on facts. Using a substantial volume of historical material, it has revealed to people such facts as: The arch-criminals who brought misery to the Chinese people for over 100 years in modern history are none other than the Western imperialist powers, who now pose as the "guardians of human rights." Modern Chinese history is the evil history of the imperialists willfully trampling on Chinese sovereignty and wantonly infringing upon China's human rights. Hundreds of large and small wars of aggression, more than 1,100 unequal treaties, 100 billion taels of silver in indemnities, the catastrophe of loss of incalculable material and cultural wealth, and the massacre of millions upon millions of people provides ironclad evidence of the imperialists' devastation of China's human rights. Modern Chinese history shows: What the Western powers "cared for" was never the rights of the Chinese people but those of the aggressors and their lackeys. Article 13 of the "1843 General Regulations Governing the Opening of the Five Ports" explicitly stipulated: If the British aggressors commit crimes on Chinese territory, the Chinese Government has no right to punish them in accordance with Chinese law; they are only to be convicted by the British Consul in accordance with British law. This notorious "extraterritoriality" indicates that the Western powers' principle on "human rights" is: They possess the rights of aggression, and the aggressors' "human rights" are greater than the "sovereignty" of China. In this connection, the "human rights" of the aggressors' lackeys, traitors, and collaborators are also considered to be greater than China's "sovereignty" and, therefore, are protected by the big powers. Article 9 of "The Nanking Treaty Between China and Great Britain" explicitly prescribed: The Chinese who contact, follow, wait upon, and serve, the British, must be "totally exonerated" for their crimes as a "favor to be bestowed" by the Chinese Government, and those who are in prison must be "released as an additional favor." This clause has been definitely summarized as "all traitors to China are to be released without exception." In 1868, the "Regulations on Installing Officials for Joint Hearing in Pidgin English in Shanghai" drawn up by Britain, the United States, France, Russia, and Germany, further stipulated: The Chinese who are in the active service of, or employed by, the foreign aggressors must not be arrested by Chinese Government offices without prior approval of the foreign consulates. It is thus obvious that what the Western powers "cared for" were the "human rights" of a small handful of traitors and collaborators who served as the imperialists' lackeys. Their principle of "human rights" toward China was: Those betraying their country were not guilty, as they had a right to turn traitors to their country. In recent years, the international hostile forces played the same old tricks, repeatedly showing "concern" for the human rights of the so-called "dissidents" who instigated the subversion of our socialist system. This precisely explains that the real attempt of the Western hostile forces in their concern for China's human rights is to subvert China's socialist system and

national sovereignty. The momentous significance of the White Paper is that it lays bare the true colors of the international hostile forces, thus injecting a sobering agent into those comrades with patriotic enthusiasm yet lacking knowledge of history, especially those cherishing confused concepts and illusions about Western "democracy, freedom, and human rights."

Second, the White Paper has proved, with a host of facts, that in China, the CPC members are real guardians of human rights. Over a period of time, owing to the distorted propaganda by the Western world, the CPC has been smeared as a group of green-faced, long-toothed monsters who kill people at will, disregard human rights, and, therefore, are unpardonably wicked. However, the lies will at last be brought to light by facts. The historical facts provided in the White Paper, convincingly show that every progress made in the condition of human rights in China is inseparable from the arduous struggle of the CPC members. Since its founding, the CPC has definitely put forward the anti-imperialist and antifeudal political program and hoisted the banner of "fighting for freedom and human rights" in the revolutionary struggle. At the critical moment when the Japanese imperialists launched a large-scale invasion of China, and the Chinese nation was confronted with a matter of life and death, it was the CPC that first held up the banner of "resisting the Japanese aggression and saving the country"; worked out, promulgated, and put into practice the policy and decree of "protecting human rights" in the anti-Japanese base areas; and became the mainstay which united the people of the whole country to strive for final victory in the war of resistance against Japan. Since the founding of New China, the CPC and the Chinese Government have made prolonged and unremitting efforts to safeguard and promote the people's political, economic, social, and cultural rights from various aspects such as systems, legislature, policies, and material guarantees, scoring historical achievements which have been universally acknowledged. Although in the course of practice we have taken some detours and committed various kinds of mistakes, the tremendous achievements gained in promoting human rights by the socialist New China cannot be denied. This is particularly the case in considering that New China has solved the problem of having enough food and clothing for its people, who account for 22 percent of the world population but have only 7 percent of the world's arable land. It is the unique and great contribution that China has made to mankind. In short, CPC party history is one of arduous struggle waged by the CPC in striving for, safeguarding, and promoting human rights in China.

Finally, the White Paper, which is a plain and comprehensive charter elaborating China's human rights condition, has replaced the high-sounding "Human Rights Manifesto," reflecting the proletarian and socialist tradition on human rights. As everyone knows, the bourgeois human rights tradition is that, on the one hand, it elegantly announces that "all men were born free and equal" in the Human Rights Manifesto; on the other

hand, it in fact deprives the great majority of the laborers of their minimum rights for existence. Conversely, the proletariat and socialists have from the very outset devoted themselves to practically and fundamentally improving the laborers' conditions for existence, as shown in restricting the capitalists' unlimited extension of the laborers' working hours, and so on. Therefore, Marx, in his *Das Kapital*, sneered at the florid language about the freedom and human rights under the bourgeois democratic system and, at the same time, generalized the proletarian human rights tradition as replacing the high-sounding clauses about the "undeprivable human rights" by the plain and comprehensive charter that restricts the working days in the form of the law. In light of being infatuated with the statements on bourgeois human rights by the opportunists, including Kautsky's faction, the Mensheviks, the Socialist Party members, and Bern International, Lenin fully affirmed the proletarian human rights tradition. He said: "Diametrically opposed to the highfalutin Human Rights Manifesto, Marx used the proletariat's plain, unadorned, true, and simple way to raise the question.... [ellipses as published] The more the content of the proletarian revolution is unfolded, the clearer and more penetrating the entire correctness and profoundness of Marx' views will be displayed before us." (*Collected Works of Lenin*, Second Edition, Vol 37, p 19) Carrying on the proletarian and scientific socialist human rights tradition, the CPC, proceeding from China's reality and by settling practical problems one after another, has unrelentingly worked for improving the Chinese people's conditions of existence. The viewpoints expressed in the White Paper regarding the rights for existence as the most important human rights; those with regard to the political rights, including social system and guarantee of material prerequisites; those regarding rights to protect women, children, ethnic minorities, as well as the aged, weak, sick, and handicapped, so that they can enjoy real equality; and so on, have in every way embodied the realistic and thorough spirit of the proletarian human rights tradition.

'Inhumane' Family Planning Rebutted

HK1912085491 Beijing RENMIN RIBAO in Chinese
14 Dec 91 p 4

["People's Forum" column by Jin Caiwei (6855 6846 5633): "Is This Not 'Humane'?"]

[Text] I doubt the motive of some foreign gentlemen in connecting the "human rights" issue with China's population problem. Unquestionably, it is ridiculous to describe family planning as against human rights.

Everything develops. When something is too hot, the temperature should be lowered; when it is too cold, the temperature should be raised. This is the law of nature. A breach of this law will lead to mistakes. The assertion that family planning is inhumane does not conform with facts. Needless to say, family planning is practiced out of consideration for humanitarianism. For example, a bucket of rice is too much for one person but too little for

1,000 people. This is a practical problem. China has a large population but inadequate farmland. The per capita possession of resources is too little. The per capita possession of farmland is only 1.3 mu, only one-fourth of the world's average. The per capita possession of water resources is also one-fourth of the world's average. It is easy to calculate how much land is providing food for the people. China's economic development is still at a low level. It is not easy even for the richest country in the world to tackle an annual net increase of 17 million people. On this limited farmland with limited water resources, who provides food, water, clothing, daily necessities, and housing....? [ellipses as published] Will those "human rights" experts provide all these? We cannot expect them to do so. Their "humanitarianism" is only lip service. We must not take it as true.

Whether a policy is correct and reasonable should be judged from whether it benefits the people. China has made great achievements in practicing family planning. People who come to China without prejudice all speak highly of China's achievements in family planning. If this work had not received proper attention regularly, the consequences would be self-evident. In this sense, China's effective control over its population growth is a great contribution to Asia and the world. Facts have suggested to the Chinese people that they should manage their own affairs and work for their own interests. Others may criticize this or that, but we must not forget our interests and future. The situation is clear: It is either giving up or practicing family planning. The former could be a drag on the improvement of the people's lives and would leave a heavy burden to our descendants. The latter will help develop the economy and bring about prosperity in our lives. The Chinese people have a consensus in terms of understanding regarding this. Practicing family planning is important at present and will benefit our descendants. Of course, controlling the population is a big and complicated matter involving social engineering. It is impossible for us to be free of mistakes. There are sure to be shortcomings in this respect. But there is nothing to feel strange about. What is important is that our policy is correct, has produced effective results, has benefited the people, and enjoys the people's appreciation and support.

It is not difficult to explain why China must practice family planning. The Chinese people know why and foreigners are not unfamiliar with this. But it is not easy to explain why some people are always playing the "population card" for confusion. Today, some people say it was a big mistake for China not to practice family planning years ago; tomorrow these very same people will say it is "inhumane" to practice family planning now. They will say whatever they like. They are turning this over in their minds. A saying goes: "The drinker's heart is not in the glass." Where is the drinker's heart? They know very well. One point is certain: Viewing human rights from the angle of population is unlikely to have any connection with wishing the Chinese a better life.

Role of Deng, Others Viewed

HK1912034391 Hong Kong CHING PAO in Chinese
No 173, 5 Dec 91 pp 42-46

[Article by Liu Pi (0491 1801): "Deng Xiaoping Has Final Say Over Human Rights Issue"]

[Text] On the eve of U.S. Secretary of State Baker's visit to China, the Chinese Government published a White Paper on "Human Rights in China." This was an elaborate arrangement.

After Deng Xiaoping personally had the final say, beginning in March of this year, the relevant units were organized to jointly draft the White Paper. This work lasted for some eight months and encountered stormy weather. During this period, Jiang Zemin and Li Peng constantly gave guidance, playing an important part in completion of the White Paper.

The White Paper shows progress in the Chinese Government's theory but serious limitations also exist.

U.S. Secretary of State Baker's China visit again made Beijing, an ancient oriental capital which people had left out in the cold because of 4 June, the focus of international public opinion for a while.

The West sighs more than it praises the fruits won by Baker's China visit and some Western newspapers even maintain that Baker "returned empty-handed." Fitzwater, the White House spokesman, also said: "President Bush is extremely disappointed." This was because no remarkable progress was made on the human rights issue, one of the main missions of Baker's China visit. However, some Chinese public figures with keen insight hold that the greatest fruits won by the Bush administration in its policy toward China do not, in the long-term sense, lie in other aspects, but just in the human rights issue which pushes forward progress in Chinese society, including progress in the policies of the Chinese Government.

Human Rights White Paper Is Not Blank Sheet of Paper

Baker originally scheduled a news conference in the Beijing Shangri-la Hotel at 1330 on 17 November but had to postpone it until the evening lights were lit because of his extended concluding talks with Foreign Minister Qian Qichen. Baker told reporters that the greater part of his 18-hour talks with the Chinese Government dealt with the human rights issue. Baker told reporters in particular that after meeting the three state leaders—Jiang Zemin, Yang Shangkun, and Li Peng—he personally went to China's Ministry of Justice to see Minister Cai Cheng. When reporters were taking photographs of them for some 50 seconds, they faced each other awkwardly and silently, unsmiling, and not knowing what to say to each other. Cai Cheng only gave him a copy of the White Paper on "Human Rights in China."

The White Paper was published in the name of the State Council's Information Office on 1 November, on the eve of Baker's China visit which was announced simultaneously by China and the United States on 4 November. The period from drafting to publication of this White Paper involved some eight months. Beginning this autumn, the major Western countries' ban on high-level contacts with China since 4 June was first broken by former Japanese Prime Minister Toshiki Kaifu's China visit and, subsequently, Britain's Prime Minister John Major. High-ranking leaders from Italy and Germany also visited China, but China published the White Paper on the eve of Baker's visit. This showed that China attached great importance to Baker's visit and also that this White Paper was a gift that the Chinese Government presented to the U.S. Government and not a blank sheet of paper.

Deng Xiaoping Resolves To Study Human Rights Issue

After 4 June, Western countries not only unanimously applied economic sanctions against China but also launched human rights offensives. At the earliest moment, Premier Li Peng pointed out: "It is necessary to counterattack the United States, to counterattack the Western diplomatic offensives, and to counterattack the policy of peaceful evolution." It was Deng Xiaoping who really wanted the Chinese Government to touch upon the human rights issue. In view of the West's attacks on the way in which the Chinese Government handled the 4 June incident, Deng Xiaoping told China's leaders: "We must ask whether they are the human rights of the majority of people or the human rights of the minority of people." As early as 1985, in the light of the Wei Jingsheng problem, Deng Xiaoping already had similar views. In his conversation with Taiwan's Professor Chen Kunming-ying he said: "You have a dissenting view on the way in which these people were dealt with because you posed the question only from the human rights viewpoint. What are human rights? How many people's human rights are human rights? Are the human rights the human rights of the majority of people, the human rights of the minority of people, or the human rights of the people of the whole country? The Western world's so-called 'human rights' and our human rights are two entirely different things and the viewpoints are different."

It is essential to face the human rights issue squarely and to establish the collective spirit of human rights. This is the connotation of Deng Xiaoping's conversation. From this time on, the Chinese Government, foreign affairs departments, propaganda departments, and research departments, all began dealing with the human rights issue and putting an end to the era in which the "human rights issue" was a patent of the West.

Jiang Zemin's Written Comments on Letter From Abroad

Last December, China's newspapers published the Eighth Five-Year Plan and 10-Year Program (Draft)

and, in the same month, CPC General Secretary Jiang Zemin received a letter from a rather influential public figure in overseas educational circles. This public figure said in his letter: Having read China's Eighth Five-Year Plan and 10-Year Program, I think that as a power, China promises well. However, it will not work if only an economic plan, other than a political plan, is carried out. It is suggested that China should give the world an image of all-around development and should attach importance to the study of the issues of freedom, democracy, and human rights. Each Political Bureau Standing Committee member was simultaneously given a copy of this letter.

After reading this letter, Jiang Zemin made the following written comments: "It appears that this man did it out of sincerity. The issue of freedom, democracy, and human rights should be studied well."

Drafting Process for State of Human Rights White Paper

At the beginning of this year, the CPC Central Committee departments concerned simultaneously made arrangements to implement Jiang Zemin's written instructions in the Central Propaganda Department, Central Policy Research Center, Central Overseas Publicity Group, and State Council Information Office.

In March, the Central Propaganda Department held a special meeting to make arrangements for the study of human rights. The Central Propaganda Department put forward nine items and especially demanded that work concerning the fundamental data be done well. These nine items included: Theoretical data on contemporary Western human rights; data on Western views on human rights; the Marxist view of human rights; the views of Third World countries on human rights; the international provisional constitution on human rights; the democratic socialist view on human rights; and so on. The study task was assigned to units which included Beijing University, Chinese People's University, Central Party School, Chinese Academy of Social Sciences, and so on.

At the same time, the Central Overseas Publicity Group and State Council's Information Office (these two departments are virtually a set of organs under the leadership of Zhu Muzhi) accepted the task of organizing the drafting of the White Paper. At that time, Li Peng had a specific view: "We cannot always put ourselves in a passive position on the human rights issue and allow others to use the human rights issue to attack us." The First and Second Bureaus of the State Council's Information Office took the lead in doing the specific work and the time limit was six months. After repeated discussion, all State Council ministries and commissions were organized again to supply first-hand data for the relevant chapters and paragraphs, to revise and finalize the manuscript.

China Also Wants To Hold Human Rights Banner Aloft

The Central Propaganda Department gave the following instruction on studying the human rights issue: In concept, disputes are permitted to exist and it is necessary to form China's own system within one and a half years of opening up.

After three months, many academic discussion meetings on human rights were held. Legal circles acted quickest and the Chinese Law Society was first to hold a forum. Immediately after that, the Chinese People's University, Beijing University, the scientific research organs in all universities and colleges, Chinese Academy of Social Sciences, and ZHONGGUO QINGNIAN BAO Office in turn held discussion meetings on the human rights issue. Even the "China Society of Historical Materialism," which is controlled by the conservative forces, also set up a "committee to study human rights." At the discussion meetings, two kinds of views were directed against each other and heated disputes ensued. This dispute on human rights was regarded as an open contest between the reformative and conservative forces after the economists, including Xue Muqiao and Wu Jinglian, expressed the views of the reformers for the first time since 4 June at meetings of economic circles held by Jiang Zemin between last summer and autumn to discuss the principles and ideological guidelines of the theory of the Eighth Five-Year Plan and 10-Year Program. This contest was, in a theoretical sense, most profound and involved many branches of learning and fields, including law, politics, philosophy, news, literature, economics, religion, and history.

In March and April, a large number of scholars and theoretical workers were invited to Xishan to prepare the relevant data on human rights for Jiang Zemin. At that time, Jiang Zemin said: "We cannot remain indifferent to the West's human rights offensives and cannot land ourselves in a passive position allowing others to attack. Socialism itself does not contradict human rights and we must also hold high the banner of human rights." The data prepared by the theory workers enabled Jiang Zemin to understand the Western concept and consciousness of human rights in a comparatively systematic way. Shortly afterwards, Jiang Zemin pointed out to the Central Propaganda Department: "Human rights with stress on the class character only are unacceptable to the West and it is essential to stress the general character and, what is most important, the common character."

Regarding discussion on human rights, RENMIN RIBAO did not take action until June, when Li Peng asked RENMIN RIBAO: "Why do you not take action regarding the human rights discussion?" RENMIN RIBAO and GUANGMING RIBAO were then compelled to hold two forums, at which it was proposed that the common character of human rights should be stressed.

It is learned that with regard to the world meeting on human rights to be held in 1993, Jiang Zemin pointed out: "Preparations have been made for the world meeting on human rights." Later, Jiang Zemin also talked to Wang Weicheng, a person in charge of the Central Policy Research Center, "suggesting that some comrades should study democracy, freedom, and human rights well."

Although Jiang Zemin's conversations have been strongly opposed by the ultra-Left forces, which maintain that Jiang Zemin's comments on human rights violate the four cardinal principles and fundamentally shake the foundations of socialism, these conversations provided guidance for the completion of the White Paper.

Fruits of Two Discussion Meetings on Traditional Culture

Last year and this, legal circles held two discussion meetings on traditional culture. They were the "Forum on Shen Jiaben" (Shen Jiaben was the first person to modernize the legal system at the end of Qing Dynasty) and a "Study and Discussion Meeting on Confucian Thought and Traditional Law and Culture" held in Wuxi in July this year. They were two meetings of China's educational circles to rediscuss traditional culture after 4 June as well as intellectual circles' rethinking traditional culture under the high political pressure since 4 June. Reform-minded public figures proposed that the quintessence of China's traditional culture is humanity, human character, and human love, which can be boiled down to personalism and humanitarianism; they also put forward "the three people's doctrine": 1) The doctrine that the government's power is vested by the people; 2) the doctrine that the government's administration is subordinate to the will of the people; and 3) the doctrine that the people are the foundation. These two meetings played a part in supplementing and providing experience for the study of modern human rights. Reform-minded public figures hold that there have been human rights from time immemorial, that the West has human rights and so also has China, and that the ideological foundation of some important power of resistance of modern human rights can be found in China's traditional culture. The foregoing fruits of study met with violent criticism from conservative public figures and were denounced as "bourgeois liberalization thought running rampant anew."

Human Rights Issue Discussion Involves 4 June

Public figures in Beijing theoretical circles maintain that in spring this year, the authorities originally started discussion of the human rights issue in response to the West's diplomatic offensives using human rights but public figures in theoretical circles were taken in to participate in the discussions and an irreversible tendency was formed. The authorities had the intention of forming their own human rights system while theoretical circles had all kinds of systems of their own. Regarding

the connotations of human rights, some insist on class struggle; others advocate the character of equality; and still others put forward the character of resistance, namely, the people's power of resistance against the government. This is also based on a principle of Marx: "So long as a community (state) exists, there is antagonism between the ruling class and the ruled class."

Once a theoretical contest commences, the issue of China's human rights encounters a nearly insurmountable obstacle, namely, the problems of how to account for 4 June and how to account for the large-scale judicial investigation and handling of the grievances, trumped-up cases, and miscarriages of justice. Deng Xiaoping, who has always been keen on pragmatism, realized this problem long ago. At the beginning of this year, Deng Xiaoping was eager to restore China's image in the world and to resume relations with the West, including the United States. Such a feeling of eagerness is no less than his desire to lift China out of poverty and backwardness and catch up with developed countries. Deng first rallied his forces for reform, starting the "Northern Expedition" of the emancipation of the mind in Shanghai and, on accepting the proposal of the people beside him, redetermining the nature of 4 June. In April, the CPC openly issued a document to alter the "turbulence" and "rebellion" in 1989 to "the political trouble occurring as spring changed to summer in 1989." However, the abandoning of Marxism announced by the Soviet Union at the end of June, and the bankruptcy of the Soviet coup d'état on "19 August," caused Deng Xiaoping's important policy decision on political reform to come to a sudden halt and to encounter a setback. The sharp changes in the Soviet Union touched Deng Xiaoping's most deep-rooted concept formed on the basis of the lesson during the "Cultural Revolution" that China needs stability and, without stability, no construction whatsoever can be successful. With the bankruptcy of the Soviet "19 August" coup d'état, Deng Xiaoping firmly believes again that the way to deal with 4 June was correct. However, Deng Xiaoping's resolve to advance reform and opening up is resolute and this also affects China's leadership as a whole. In the light of the international environment which China faces after the sharp changes in the Soviet Union, Deng Xiaoping put forward to the cadres at and above the ministerial level a new 12-character principle, also called the 12-character formula: "the city is under siege, the enemy is more powerful than we, regard defense as the main strategy." China has now published the White Paper on Human Rights and the aim is "to regard defense as the main strategy" so as to pave the way for China's further reform and opening up.

White Paper Shows Progress in Government's Theory

At the end of October, at a small meeting held by the Chinese Government to publicize the White Paper, Jiang Zemin and Li Peng declared: "(The White Paper) deals with 10 points (10 parts). Carry out propaganda internally and externally in the future on the basis of these 10 points." They emphasized that the White Paper would play a role for a long time. Meanwhile, Jiang and Li also

explained: "The White Paper leaves something to be desired." They displayed a certain matter-of-fact attitude. It was learned that it was the original plan that China's existing problems were attached to the end of the 10 parts of the White Paper but they were canceled before publication.

In the first place, the White Paper calls "human rights" a "great term" and says that they are "the ideals that mankind has pursued over a long period of time" and are "the lofty objective." This stresses the common character of human rights. The White Paper also affirms the great significance of the "Declaration of Human Rights" and states that the Chinese Government also wants to hold the banner of human rights high. This is apparent progress in the Chinese Government's theory. Although such progress made can be regarded as from external pressure on the Chinese Government, especially from the United States, the Chinese Government's breakthrough in such a theory was not easily made. This breakthrough underwent a course of complicated struggle and embodied the spirit of reform and opening up of China's leadership level.

As Jiang Zemin and Li Peng pointed out, the White Paper does not "leave something to be desired." [sentence as published] For example, the White Paper does not admit that China has political offenders and this appears childish and absurd. It reverses the order of importance by using collective human rights to suppress individual human rights and stresses national conditions, national boundaries, and various limitations. It obviously defends the status quo. The comparison made by the White Paper is merely a historical, and not a lateral, comparison. In fact, only by comparing the state of our human rights with the state of human rights prevailing in the world will it be a significant job. The White Paper lacks the direction in which human rights develop and does not even have a fundamental intention.... [ellipses as published] All this shows serious limitations in the Chinese Government's theory as well as China's present backward political state.

The publication of the White Paper has also evoked heated disputes in Beijing's theoretical circles. Some people raised queries such as: "How can it recognize the 'Declaration of Human Rights'?" and "How can it take human rights as a lofty objective?" They advocated that human rights could only be regarded as a strategy for struggle against the enemy, should be a means other than an objective, and cannot be integrated with the objective of socialism. Some people, however, also pointed out that publication of the White Paper showed progress but the inadequacies lay in theoretical nihilism and in using collective egotism to suppress individual egotism. Those who adhered to this viewpoint also pointed out that in order not to make the White Paper more than empty words on a sheet of paper, the government must take specific action and correctly account for 4 June. It is learned that, since the beginning of this year, several members of the National People's Congress [NPC]

Standing Committee have submitted a joint letter requesting resolution of the 4 June problem.

Key Lies in Deng Xiaoping's New Work

Two years after 4 June, Deng Xiaoping, who is at the advanced age of 87, finally greeted Uncle Sam again in Beijing. This was, it must be said, a victory for China's diplomacy. Some of China's young intellectuals still hold that Deng Xiaoping will still affect China's historical course in his remaining years. A world meeting on environmental protection will be held in 1992 and one of its contents will be human rights. A world meeting on human rights will be held in 1993 and China's problems will be a focus. We must see that human rights are the focus of China's social progress in this, and even in the next, century, as well as the focus of struggle of all forces in China. There is no need for reticence. The major obstacle Deng Xiaoping faces is, we must say, 4 June.

According to well-informed sources, at the Eighth Plenary Session of the 13th CPC Central Committee held on 25 November, the major topic for discussion was the agricultural problem, including the introduction of the market system into agricultural operations, commercialization of grain and oil (abolition of grain and oil coupons), water conservancy construction, and rural socialist education. Emphasis will be laid on discussing the 40-point rural policy. There will also likely be personnel changes, like those at the National People's Congress session in March this year, and Zou Jiahua, Zhu Rongji, and Yang Baibing will be allowed to join the Political Bureau, with the aim of accelerating the pace of reform next year.

China's leaders are now very determined to carry out reform and opening up but must see that it is ideology, particularly Leftist theory, that seriously holds reform and opening up back. Even in reform and opening up, they will ask whether reform and opening up are of a socialist or capitalist nature and this is only one of the examples. The Chinese Government will regard anti-peaceful evolution as one of the basic national policies. China's leaders with insight all know that "peaceful evolution" can evolve nothing whatsoever except the "four cardinal principles." Peaceful evolution is, in a sense, completed in China's course. It is first completed in the economic realm. For instance, efficiency, market, stocks, profits, quality, land transfer, many kinds of economic sectors, bonded industrial areas, and transnational corporations, which were originally things of a capitalist nature and the view of whose value was of a capitalist nature, are now accepted by China as the "common wealth of mankind." These are totally different from the Stalin-type things of a socialist nature. China has begun to change its image on the human rights issue and this is not only the universal desire of the intellectuals inside and outside the CPC but also reflects China's reform and opening up, which brooks no delay.

After publication of the White Paper, the Central Propaganda Department and Central Overseas Publicity

Group jointly issued a circular on studying the White Paper which demanded that all trades and professions carry out education in socialist human rights. Meanwhile, the Central Propaganda Department also issued a document, pointing out: "Attention should be drawn to the fact that newspapers and journals still disseminate liberalization after 4 June." This indicates that the disputes about the issue of China's human rights will go on. If reform-minded theoretical workers can score achievements in the human rights issue, this will, in coordination with the achievements in economic reform, jointly form an irreversible tendency toward China's reform and opening up.

Former University Professor Seeks Travel Abroad

HK1912055291 Hong Kong THE STANDARD
in English 19 Dec 91 p A-8

[By Cheung Po-ling]

[Text] A former university president in Beijing, who was implicated in the 4 June 1989 crackdown, yesterday urged the Chinese authorities to lift the ban on him from going abroad for academic trips.

Professor Jiang Ping, former president of the University of Politics and Law of China, made the appeal as the authorities approved dissident journalist Dai Qing to travel to the United States to study at Harvard University.

"I'm not engaged in any form of criminal activities or legal proceedings, so why should they forbid me from going outside China?" asked Prof Jiang.

"If other people, like Dai Qing, can go now, I should also be allowed to leave."

During the November visit of U.S. Secretary of State James Baker to Beijing, the Chinese authorities promised they would approve applications to go abroad by any dissidents and their spouses who are not engaged in any criminal activities or legal proceedings.

As vice-president of the China Law Society, Prof Jiang made frequent overseas trips before the 4 June 1989 crackdown.

Sources said Prof Jiang was barred from leaving China because his case, involving the 1989 pro-democracy student movement, was pending and he was poised to be given a punishment, such as a severe warning.

During the 1989 prodemocracy demonstrations, Prof Jiang, then university president, tried to dissuade the students from going to Tiananmen Square after martial law was enforced.

At the same time, he and 23 fellow members of the Standing Committee of the National People's Congress signed a petition to the authorities, calling for an emergency session of the NPC to discuss the critical domestic situation.

This petition was later interpreted as a plot to topple the party and government.

Symposium on Birth Control Ethics, Law Held

*OW1812134891 Beijing XINHUA in English
1248 GMT 18 Dec 91*

[Text] Beijing, December 18 (XINHUA)—Chinese experts met in Beijing yesterday to discuss for the first time ethics and law concerning birth control.

According to today's OVERSEAS EDITION of the "PEOPLE'S DAILY" [RENMIN RIBAO], experts from medical care, genetics, family planning, sociology, ethics and law circles of China's 16 provinces and cities focused their discussions on the controversial issue of birth control of the mentally retarded from genetic, ethical and legal angles at a national symposium.

Professor Zhang Zhixiang of the Beijing Medical Sciences University pointed out that about 15 to 10 percent of the mentally retarded born in China were caused by genetic reasons and this shows that sterilization of the mentally retarded can help alleviate the problem.

He added, however, that in order to control the problem effectively, the most important stress should be the prevention of marriage between close relatives, improvement of medical care during pregnancy and of the women and children, and prevention and treatment of cretinism.

Qin Xinhua, an official of the Ministry of Public Health, stressed attendance and support to the mentally disabled by the family and society in regions with a high occurrence of the disease.

Campaign Against Illegal Publications Planned

*OW1812152491 Beijing XINHUA in English
1400 GMT 18 Dec 91*

[Text] Nanjing, December 18 (XINHUA)—China will launch a nation-wide campaign against illegal publications in the winter-spring period.

Liu Zhongde, deputy head of the Propaganda Department of the Chinese Communist Party said at the current second anti-pornographic meeting that noticeable achievements have been made.

According to Liu, who is also in charge of the cleaning-up and rectification of book, journal, and video and audio markets, the country has banned more than 6.8 million illegal publications, 3,000 pornographic publications, 1,300 counter-revolutionary publications, and over 4,000 pornographic video tapes.

Also banned were more than 3,000 publishing houses, and 2,946 stores that have printed, published or sold illegal publications or video and audio tapes.

But, he said since this summer a trend toward increases in illegal publications calls for immediate and serious measures to check it.

He said that those who are engaged in publishing and selling of these publications should be severely punished.

Special attention will be paid to punish the selling of these publications on trains, ferry boats and at bus and railway stations and docks, he said.

Science & Technology

First Nuclear Power Station Begins Operation

*OW1712174791 Beijing XINHUA in English
1543 GMT 17 Dec 91*

[Text] Hangzhou, December 17 (XINHUA)—Qinshan nuclear power station, first of its kind on the Chinese mainland, became operational Sunday morning, marking a breakthrough in China's history of peaceful utilization of its nuclear capacity.

Located in Haiyan County, eastern Zhejiang Province, the Qinshan station, with a generating capacity of 300,000 kw [kilowatts] was designed and constructed solely by China.

The station is capable of generating 1.5 billion kw [kilowatt hours] annually for the eastern China power network, which covers Zhejiang, Jiangsu, and Anhui Provinces, and Shanghai municipality. As one of the country's industrial bases, this area has long suffered a shortage of energy.

The Qinshan station has adopted a hydraulic-pressure reactor, a sophisticated design that currently is designed and built by only a small number of countries.

The power station is a child of the cooperation between more than 600 Chinese institutes, factories and companies.

The successful designing and constructing of the Qinshan station has proven that Chinese experts in this field have full knowledge of the secrets needed to build a nuclear power station. The project has incidentally produced a group of nuclear power experts for the country.

Some experts believe that the success of the Qinshan station is of great importance for the future construction of commercial nuclear power stations in the country.

Li Peng Welcomes Station

*OW1812142391 Beijing XINHUA Domestic Service
in Chinese 1001 GMT 18 Dec 91*

[Text] Li Peng, Nie Rongzhen, other leading comrades and some departments under the State Council separately wrote letters or sent congratulatory messages to the China National Nuclear Industry Corporation today

on the occasion of a successful trial run of China's first nuclear power station designed and built by the country itself.

Premier Li Peng this morning wrote a letter to China National Nuclear Industry Corporation. He says in the letter: I am glad to hear that the Qinshan nuclear power station is conducting a trial run in incorporating itself with local power grid. I hereby extend my warm greetings and cordial regards to you and to all the designers, engineers, and builders of the nuclear power station. The incorporation of the Qinshan nuclear power station with local power grid indicates that China's nuclear technology has entered a mature stage. I hope that you will carefully organize the trial run, correct any possible defects, work toward a full load, and strive to win an all-round victory in the construction of the Qinshan nuclear power station.

Marshal Nie Rongzhen, very pleased to learn of the successful trial run of the Qinshan nuclear power station, told his aides to convey his congratulations to all the comrades of China National Nuclear Industry Corporation and the Qinshan nuclear power station. Marshal Nie said: This is a great victory of self-reliance and hard struggle. I hope that all comrades will continue to work hard to build more nuclear power stations for China and to contribute to the development of China's energy industry. Thank you, comrades.

There were also congratulatory letters or messages today from Zou Jiahua and Zhu Rongji, vice premiers of the State Council; from Zhang Aiping, member of the Standing Committee of the Central Advisory Commission; and from the State Council's leading group for nuclear power industry, the Commission of Science, Technology and Industry for National Defense, and the Ministry of Energy Resources.

Nuclear Official Comments

OW1812142691 Beijing XINHUA in English
1310 GMT 18 Dec 91

[Text] Beijing, December 18 (XINHUA)—The Qinshan nuclear power station, the first of its kind designed by China itself, has been operating smoothly since it began generating electricity three days ago.

At present, a series of debugging and experimental work are being carried out to improve the station's functional power. The station is expected to go into official operation next June.

Speaking at a news conference here today, an official from the China National Nuclear Corporation also affirmed that the successful construction of the Qinshan nuclear power station is an important achievement of Chinese socialist construction, a victory of China's nuclear industrial development, and a breakthrough for China's peaceful utilization of its nuclear capacity.

Construction of the nuclear power station was first put forward by the late Chinese Premier Zhou Enlai in 1970.

In November of 1981, the State Council approved plans for the 300,000 kilowatt hydraulic-pressure nuclear power station and construction began at Qinshan in Haiyan County in Eastern China's Zhejiang Province in March of 1985.

At present, more than 20 countries and regions in the world have nuclear power stations, but only a few of them are capable of designing and constructing the facilities themselves.

In constructing the station, Chinese builders firmly persisted in the principle of "quality and safety first" and built the station in accordance with international standards, the official said.

Experts from the International Atomic Energy Agency made a pre-operational safety review of the station and predicted that Qinshan is going to be a safe and high-quality nuclear power plant.

Further on Official's Remarks

HK1812152791 Beijing ZHONGGUO XINWEN SHE
in Chinese 0959 GMT 18 Dec 91

[By correspondent Wei Lin (7279 2651): "Qinshan Nuclear Power Plant Operates Normally"]

[Text] Beijing, 18 Dec (ZHONGGUO XINWEN)—A spokesman for the China National Nuclear Industry Corporation today said that since the first successful grid-connected power generation at 0015 on 15 December, the generator set of Qinshan Nuclear Power Station has been operating smoothly.

The spokesman said that the Qinshan plant is currently operating at a low-level capacity. There are plans to gradually raise the level of operation to the full-load capacity level over the course of six months, beginning next January. In addition, some 40 experiments will be conducted during the raising of the plant's power.

The spokesman said that so far the design and construction of Qinshan Nuclear Power Plant have been a success. Operational safety following grid-connected power generation is guaranteed.

The spokesman recalled that as early as 1970, after the completion of an on-land nuclear submarine model, Premier Zhou Enlai proposed that we needed nuclear power stations; formulated the policy of "safety, feasibility, economy, and self-reliance" in developing nuclear power; and examined and approved the construction plan for the first nuclear power plant. However, for a variety of reasons, China's nuclear power construction was not started at that time.

He said that in recent years, the CPC Central Committee and State Council have attached great importance to developing nuclear power. In November 1981 they reopened the study and decided to build a 30,000-kilowatt hydraulic-pressure reactor power plant. The following year, Qinshan in Haiyan County of Zhejiang

Province was chosen as the site. The construction of Qinshan Nuclear Power Plant officially began in 1985 and up to now has lasted 81 months. The construction of the power plant will supply annually 1.7 billion kilowatt-hours of power to the east China power grid, properly improving the power supply in the Zhejiang region.

He said that all of the design, construction, adjustments and grid connections of Qinshan Nuclear Power Plant have relied on domestic scientific and technological power and industrial base. On the other hand, the plant has always deemed it important to absorb international experiences, imposed requirements of international standards, launched international cooperation, and imported certain technology and equipment. All these have raised the power plant's safety and technological levels.

He laid special emphasis on the plant's consistent policy of "making quality and safety the first priorities." It has established a strict quality supervision and quality protection system, always making quality guarantees the first consideration in design, material selection, manufacture of equipment, and actual construction and adjustment. The Nuclear Safety Administration has many times sent down expert teams to carry out safety evaluation supervision of the plant, the task load involving as many as 900 experts a year.

As briefed, during the construction of Qinshan Nuclear Power Plant, over 100 scientific research institutions and colleges nationwide have participated in the research, experiments and project design; over 600 factories have provided equipment and materials for the project; and seven survey and design institutions and 11 civil engineering installation units were contracted for project design and installation.

Yang Inscribes Title of Book on Engineers

*OW1612053791 Beijing Central Television Program
One Network in Mandarin 1400 GMT 15 Dec 91*

[From the "Night News" program]

[Text] "Who's Who of Chinese Engineers," China's first book that provides biographical sketches of technical personnel in scientific and technological projects, was published by Hubei Science and Technology Publishing House recently. President Yang Shangkun inscribed the title of the book.

This giant book of nearly 5 million characters includes information on some 15,000 outstanding contemporary Chinese engineers.

Song Ping Attends Jiangxi Technology Exhibition

*HK1712043991 Nanchang Jiangxi People's Radio
Network in Mandarin 1100 GMT 14 Dec 91*

[Excerpt] Yesterday evening, Song Ping, member of the CPC Central Committee Standing Committee, and Wen Jiabao, alternate member of the CPC Central Committee

Secretariat, viewed our provincial scientific and technological achievements on display at the Exhibition of State Science and Technology Prize Winners and Excellent Projects 1991. They spoke highly of some of the exhibits.

Accompanied by concerned comrades from the State Science and Technology Commission, Song Ping, Wen Jiabao, and other leading comrades happily viewed until approximately 2000 yesterday our provincial exhibits on display. [passage omitted]

Military

Xinjiang Completes Airlifting Operations

*HK1912020791 Urumqi Xinjiang People's Radio
Network in Mandarin 1600 GMT 18 Dec 91*

[Text] Yesterday afternoon, an airliner carrying more than 100 demobilized fighters took off from (?Kashi) Airport [words indistinct]. This marked the successful completion of our region's work of airlifting new and veteran servicemen, which lasted seven days and involved 52 hours of flights.

Xing Chongzhi Attends Army Commendatory Rally

*SK1212151891 Shijiazhuang HEBEI RIBAO
in Chinese 7 Nov 91 p 1*

[By reporter Li Xiaomei (2621 2556 2734) and Xin Yanle (6580 1750 2867): "The Summarization and Commendatory Rally Held by the Beijing Military Region To Mark the 10th Anniversary of the Army-People Joint Activities Opens in Baoding"]

[Excerpts] The bugle is loud and clear, the might of the army is known far and wide, the army and the people are united and their friendly feelings are deep. The summarization and commendatory rally held by the Beijing Military Region to mark the 10th anniversary of the army-people joint activities to build spiritual civilization was held today at the auditorium of a certain Liberation Army stationed in Baoding. This was an important rally to boost the achievements of the joint activities, promote the implementation of the double-support work, strengthen army-government and army-people unity, and promote the army and local reform and construction. [passage omitted]

Yang Chen, advisor of the Ministry of Civil Affairs; Zhang Shutian, director of the Mass Work Department of the General Political Department; Zhang Gong, political commissar of the Beijing Military Region; Wu Shuangzhan, deputy chief of staff of the Beijing Military Region; Wu Runzhong, political commissar of the No. 151034 Army unit; Xing Chongzhi, secretary of the provincial party committee; Han Shiqian, commander of the provincial Military District; Han Licheng, member of the Standing Committee of the provincial party committee and director of the Propaganda Department; Gu Erxiong, vice governor; and Zhao Weizhong,

deputy political commissar of the provincial Military District; and other leading comrades of the party, government, and army organs attended the opening ceremony.

The rally was presided over by Guan Shuren, deputy director of the Political Department of the Beijing Military Region. Cao Heqing, director of the Political Department of the Beijing Military Region, gave an opening address. On behalf of Baoding Prefecture, Baoding City, and the army officers and men stationed in Baoding, Zhang Meiyuan, leader of a certain army unit stationed in Baoding, gave a welcoming speech.

In the opening address, Cao Heqing stressed: Carrying out the army-people joint activities to build a socialist spiritual civilization is a new creation and a new development of the double-support work under the new situation. It is the demand of the times for strengthening the building of socialist spiritual civilization, the manifestation of our army's basic purpose of wholeheartedly serving the people under the new situation, the effective form and important way for establishing and developing the army-government and army-people relations of a new type, and an important measure for training socialist people in a new style with ideals, morality, education, and a sense of discipline. These activities have enriched the substance of the double-support work and promoted the implementation of the double-support work in the grassroots. The convocation of this rally on the occasion of the 10th anniversary of the army-people joint activities to build spiritual civilization is aimed at conscientiously reviewing and summing up the achievements and experiences of the 10 years of joint activities in line with the guidelines of the seventh plenary session of the 13th party Central Committee and of the national double-support work conference. It is for commending the advanced, fostering models, and promoting the deep development of the double-support work and the army-people joint activities. It is for using the directives of leading comrades of the party Central Committee, the Central Military Commission, and the Headquarters, and the guidelines of their speeches to unify thinking, enhance understanding, further mobilize and organize the broad masses of officers and men, actively promote the glorious tradition of supporting the government and cherishing the people, and more soundly and effectively carrying out the army-people joint activities. It is for realistically implementing the demand of "cherishing the people, learning from the people, and serving the people" in places where needed; maintaining and promoting the blood-and-flesh friendly sentiments of "sharing a common fate and being linked heart to heart" between the army and the government and between the army and the people; and forming a new situation in which the double-support work brings along the joint activities and the joint activities promote the double-support work.

Delegates attending this rally were leaders of the political departments of various major army units subordinate to the Beijing Military Region, representatives of advanced

units and advanced individuals of the army-people joint activities, and leaders of relevant departments of various prefectures and cities in Hebei and various districts and counties in Baoding Prefecture and Baoding City, a total of 298 people.

Army Focuses on Improving Quality of Training

OW1112070591 Beijing XINHUA Domestic Service
in Chinese 1416 GMT 10 Dec 91

[By reporters Sun Maoqing (1327 5399 1987) and Ma Xiaochun (7456 0879 2504)]

[Text] Beijing, 10 December (XINHUA)—Since the beginning of the year, all units throughout the entire army have aroused vigorous mass efforts in training troops by focusing on improving training quality. Military training work is flourishing in a gratifying manner.

According to comrades on the People's Liberation Army [PLA] Headquarters of the General Staff, Central Military Commission Chairman Jiang Zemin's call for "political competence, military mastery, superior style, high discipline, and guaranteed effectiveness," and the basic requirements of "upholding the standard of combat effectiveness and realizing the goal of military mastery" made at the General Staff headquarters work meeting held last year, have become the goal of struggle and conscious undertakings of the entire army at all levels in carrying out troop construction and military work. In the past year, all units throughout the entire army have completed the annual training task more proficiently. The situation in military training work shows a good trend rarely seen in recent years. These are primarily reflected in the following:

—The situation in which "party committees participate in military affairs, officers in charge pitch in, and various organs give support and cooperation" has been established. Officers in charge at all levels have earnestly carried out the responsibility of organ leadership training; while commanders and political committee members of the various arms of service, as well as leading political and military officers at army, division, brigade, and regiment levels in various military regions and districts, have gone to the actual training fields to comprehensively organize instruction and inspection training. The frequency and duration of the entire army's cadres above the division level who participated in troop training work were higher than that of last year. According to statistics, the number of occasions of participation by cadres above the division level in directing troops training work have reached more than 10,000. The average duration of the work is 68 days, the longest duration being 96 days.

—Adhering to administering training in accordance with regulations, carrying out training in accordance with guidelines, and regularized training has entered a new phase. The first ever "Regulations for Military Training" in our military history promulgated last April

signal that our army's military training has entered a new regularized phase. The leadership, organs, and units of the entire army have enhanced their understanding of regularized training, strengthened their concept of administering training in accordance with regulation, gradually established the order for regularized training, and promoted the implementation of training with emphasis on quality.

—Focusing on basic training and training of cadres and key personnel, the quality of training for the troops has improved over that of last year. Training of the entire army gave priority to new recruits, common subjects, and the teaching ability of cadres and key personnel, multi-format mass training activities were also carried out to effectively expedite the improvement in training quality. The pass rate of new recruits and preselected squad leaders training has exceeded 95 percent.

—Put priority on training leading units and the military and political quality of officers and men; the troops' emergency combat effectiveness improved gradually. Ground force units selectively prioritized training of leading organs, specialist arms of the services, and key personnel for operating new equipment; and organized comprehensive field training with actual equipment to enhance further the troops' mobility, accuracy, unity, and cohesiveness. Air units of the air force have organized difficult topical training and cross-regional flexible multilocation tactical combat training. Apart from those undergoing equipment modifications, all flight groups attained the standard of class one combat group. Naval vessel units emphasized subjects pertaining to missions at sea and coordinated training of the various arms of services using actual weapons. Many submarine units have completed long-haul tactical combat training and enhanced their combat effectiveness.

—Attach importance to learning Maoist military ideology and studying modern wars; military theory standards and battle command ability of high-level cadres and leading organs have made new improvements. The entire army has organized close to 200 classes for learning Maoist military theory, and more than 10,000 cadres above division level have attended the classes. Relevant departments also organized the entire army's Comrade Deng Xiaoping's new age national defense and troops construction symposium. All major units also attached importance to the use of Maoist military ideology and the achievements made in the study of modern war to guide battle training. They have separately organized group battle training and exercises and improved the battle command abilities of all of the army's cadres, especially the high-ranking cadres.

—Resolutely put in efforts to do a good job in construction and administration work; conditions guaranteeing troop training have improved somewhat. At present, the majority of the entire army's divisions

and brigades have established complimentary facilities of a certain modern standard to guarantee training; based on existing conditions, the naval vessel units, the air force's air units, strategic guided-missile units, armored troops, and antichemical weapons units have explored methods to guarantee training which suits their individual unique characteristics and have effected initial improvements in conditions for troop training.

Paper Highlights Military Science, Technology

HK1212001291 Beijing JIEFANGJUN BAO
in Chinese 15 Nov 91 p 3

[By Liu Jianggui (0491 3068 2710): "Superficial Analysis of Military Significance of 'Science and Technology Being First Productive Force'"]

[Text] "Science and technology is the first productive force." This is a famous thesis by Comrade Deng Xiaoping, which he put forward for the first time when talking with foreign guests 5 September 1988. It was put forward in light of the new international political and economic situation and the new trend of science and technological development after summing up the experiences and lessons of China's socialist construction. It was aimed at solving the most pressing problems facing our country's development. It is not only of great importance to our economic construction but also has a profound military significance.

I.

Marxism has always attached great importance to the role of science and technology in the military field. Although in their time, people had just begun to apply science and technology in production on a large scale, Marx and Engels realized that science and technology would produce a great impact on military affairs.

First, science and technology is a prerequisite for the development of weapons. With changes taking place in this prerequisite, the army's internal relations will also change. Engels pointed out: Economy and science are also "necessary conditions for a modern army to have the necessary amount of weapons, ammunition, and grain, to train the necessary quantity of well-qualified officers, and to develop the intelligence of the soldiers." (*Selected Military Works of Marx and Engels*, Vol 1, p 180) "The emergence of large quantities of offensive weapons... is an inevitable result of cultural development at a high stage." (Ibid, p 184) Marx also noted that "with the invention of firearms, the entire internal organization of the army will naturally be changed, the relations of various individuals in forming the army and the army's actions will be changed, and the relations between various armies will also be changed." (Ibid, p 53)

Second, science and culture enable their possessors to gain the upper hand in the military field. While summing up war experiences, Engels pointed out: "Only by using

more brains and making constant improvements and creations in utilizing military and state resources, and by developing the specific military quality of a nation, can a state's army be developed to the top position in a certain period of time through competition. Therefore, we must realize that the country with a higher cultural level is in a more superior military position compared with its less developed neighbors." (Ibid, p 226) He also said that war is "war between the modern military means and science of one side and the modern military means and science of the other," in which "no army can fight without military knowledge." (*Selected Military Works of Marx and Engels*, Vol 1, p 188, Vol 4, p 171)

Third, the progress of science and technology will naturally bring about changes in combat methods. According to Marx and Engels, the changes in combat method "are not 'conscientious and liberal creations' of the gifted commanders, but the results of invention of better weapons and changes in the soldiers' composition. The influence of a gifted commander is limited in matching the form of fighting to the new weapons and new composition of fighters." (*Selected Military Works of Marx and Engels*, Vol 1, p 17) Obviously, the production of new weapons and the changes in the composition of fighters cannot be separated from the roles of science and technology. Engels thus drew the following conclusion: "Once technological progress can be, and is being, applied in military affairs, it will immediately, and almost compulsively, change the combat method, disregarding the will of commanders." (Ibid)

Through the practice in the revolutionary war, Lenin and Stalin also realized profoundly that there are close relations between science and technology and military struggle. Lenin put forward the thesis that a "modern army cannot be built without science," holding that "who gains the upper hand in war is the one possessing high-technology weapons, a high sense of organization and discipline, and top-grade machines." (*Collected Works of Lenin*, Vol 27, p 177) When summing up experiences of the victory in the Soviet revolutionary war, Stalin also pointed out that to defeat the numerous well-equipped, well-trained, and well-supplied enemy troops, apart from bravery, "it is also necessary to have sufficient and completely modernized equipment and ample and well-organized supplies." (*Selected Military Works of Stalin*, p 387)

In view of the realities of the Chinese revolution, Mao Zedong fully affirmed the great role played by science and technology in the army's development. During the War of Resistance Against Japan, he pointed out: "An army without culture is a dull-witted army, and a dull-witted army cannot defeat the enemy." (*Selected Works of Mao Zedong*, second edition, Vol 3, p 1011) After liberation, Mao Zedong admonished the whole party and the whole army in timely fashion: To win victory in modern wars, "our past comparatively backward equipment and tactics for fighting the domestic enemy are not enough. We must also master the newest equipment and newest tactics." (*Selected Military Writings of Mao*

Zedong, Internally Circulated Edition, p 359) "To build up our modernized national defense, the ground forces, air force, and navy must have sufficient mechanized equipment and installations. All this cannot be done without complicated professional technologies. Today, we are urgently in need of large numbers of people who are capable of mastering and controlling technology and capable of continuously improving and upgrading our technology." (Ibid, p 361)

Engels said: Science is developing in geometric progression. The rapid development of science and technology in the 1970's and 1980's proved this thesis. Deng Xiaoping has a keen insight into this historical trend and the historical opportunity it has created. In 1975, to counter the fallacies spread by the "gang of four," which were aimed at sabotaging science and technology work, Deng Xiaoping, with courage obtained from Marxist theories, affirmed that science and technology form the first productive force. At the National Science Conference held in 1978, he reiterated this viewpoint and emphasized: With the development of modern science and technology, science is playing an increasingly great role in production. Science and technology are becoming a more important productive force. On 12 September 1988, after listening to a report on the initial plan for reform of the price and wage systems, he pointed out: "Marx said science and technology are productive forces. This is entirely correct. Judging from the current developments, it may not be enough to only say so. Perhaps we have to say that they form the first productive force." (*Comrade Deng Xiaoping on Education*, p 174) In 1989, when talking about economic development, he repeated: Science and technology form the first productive force. Science is something great and we must attach importance to it. In the final analysis, problems may eventually be solved by science. He also repeatedly emphasized: "The key to the four modernizations lies in the modernization of science and technology. Without modernizing science and technology, it is impossible for us to develop modern agriculture, modern industry, and modern defense." "If we do not increase our science and technological level... our national security cannot be guaranteed." Comrade Deng Xiaoping upgraded the thesis on science and technology being "productive forces" to being the "first productive force" and predicted that "problems may eventually be solved by science." He also linked science and technology with national security. This is an important theoretical breakthrough, which has a strong sense of our times, a strong sense of historical mission, and a strong sense of emergency.

In the final analysis, competition in the contemporary world is a trial of comprehensive national strength, but the increase in national strength depends largely on science and technological progress. Modern science and technological progress is producing a profound impact on various fields of social life as well as the military field. To this day, the military has always been the area in which the latest achievements in science and technology

are used most quickly. Promoted by new and high technologies, great changes are taking place in modern warfare, which is a conflict between both opposing sides in vitality and a trial of strength in the science and technological field. Practice shows that in the face of a high-tech war, backwardness in science and technology will mean vulnerability to attack. An important expression of "science and technology being the first productive force" in military affairs is: Having permeated various major elements of the fighting forces, science and technology is of vital importance to the combat effectiveness of an army. Therefore, to strengthen national defense construction in the new period, it is necessary to gain a full understanding of the military significance of the thesis on "science and technology being the first productive force," so that modernization of national defense can be promoted by science and technology.

II.

To build a powerful, modern, and regular revolutionary army is our army's target of struggle in the new period, which was set out by Comrade Deng Xiaoping. Today, when great transformation is being carried out in the military field, there is a new characteristic in our army building. That is, to increase the army's combat effectiveness by means of science and technology should be taken as an important guiding ideology in our army building.

Shift our focus onto increasing combat effectiveness with science and technology. Man's concept plays an important guiding role in understanding and mastering things. Without a strong sense of science and technology and a concept of modernization, there cannot be conscientious action of increasing the combat effectiveness by means of science and technology. We must realize that all major elements of the combat effectiveness, including men and weaponry, contain science and technology. This cannot be neglected by any army in modern times. Our development of science and technology does not mean competing with the developed countries in weaponry but to do our best to improve our weaponry and increase the science and cultural quality of our army personnel as our national conditions allow, so that a better foundation can be built for winning future wars. To this end, we must acquire a concept of respecting knowledge and respecting talents. In the final analysis, science and technological competition is a competition of talents. We must not only say it in words but put it into practice. We must change the situation whereby there is a lack of talent in some areas and units while the talent in other areas and units are not fully used. We can say that acquiring a correct attitude toward talent is a prerequisite for enhancing the concept of science and technology.

Make the development of modern science and technology a basic channel for implementing the principle of "better troops." To take the road of "better troops" is an important principle for our army building in the new period. "Better troops" mainly refers to well-equipped

commanders and fighters with a high political consciousness, advanced military thinking, and a higher science and cultural quality, together with a scientific structure and strict training. In 1980, Comrade Deng Xiaoping pointed out: "We must soberly recognize that one of our main problems now is that the Army is overmanned." "The fact that the Armed Forces are overmanned also makes it harder to modernize their equipment. Our policy is to reduce manpower and use the money thus saved to renew equipment." "In short, it is necessary to reduce 'bloatedness' if we want to carry out the four modernizations or to streamline the Army and raise its combat effectiveness." (*Selected Works of Deng Xiaoping*, p 248-249). Through our efforts in the years following, we realized the target of reducing 1 million troops in 1985. Of course, "better troops" does not only mean a reduction in the number of troops. In the final analysis, it means increasing the Army's modernization level by means of science and technology. All the main indicators for "better troops" have something to do with science and technology. Our purpose is to "reduce numbers and increase quality." The development and application of science and technology is an important means for achieving this goal. The theories on army building and the practice over the past 10 years or so prove that, by implementing Comrade Deng Xiaoping's instructions on building "better troops" with science and technology, our Army's combat effectiveness has been greatly increased. Undoubtedly, we must continue to uphold this guiding principle in the future.

Put improving the Army's political quality by means of science and technology in an important place. Marx pointed out: "Only when the masses are organized and guided by knowledge can the number of people play a decisive role." Deng Xiaoping also pointed out that men are the most dynamic factors in the productive forces. In this connection, men refers to the people who have mastered certain scientific knowledge, production experience, and work techniques, and who are using production tools to carry out production of materials. Similarly, those who play a decisive role in the war are the people who have a firm communist ideal and conviction and who have mastered modern military science and technology. Perhaps, under the conditions that science and technology are not well developed, we can still win the victory with our strong class feeling and boldness, but in modern wars, in which new and high technologies are widely used, class feeling and boldness are not enough for us to win the victory. In modern wars, we need science and technology. Comrade Deng Xiaoping also made a profound exposition on this question: Nowadays, a company commander has to perform his duties in a different way than in the past. In the past, a company commander at the front could just hold up a Mauser and cry, "Charge!" Today he must know much more. In modern battles, which are fought simultaneously in the air, on the ground, and on the sea, how could you command a company? Therefore, under modern conditions, although "it is right to learn from the Hardboned Sixth Company," "it is not enough for us to do so. We

must also closely study knowledge of modern warfare and many necessary political, cultural, and science and technological knowledge." We may say that under modern conditions, the science and technological quality of Army personnel will decide the combat effectiveness of the army as a whole. Thus, we are required to put increasing Army personnel science and technological quality in an important place while carrying out routine military training.

Fully rely on science and technological progress to increase the degree of modernization of weaponry. Modern weaponry is the material basis of modern warfare and the degree of modernization of the weaponry is decided by the development of science and technology. On the question of how to develop our weaponry in light of China's national conditions, the military situation, and the needs of modern warfare, Comrade Deng Xiaoping pointed out: "Scientific research should be given priority." (*Selected Works of Deng Xiaoping*, p 20) "It is necessary to develop our own high technology so that we may occupy a position in the high-technology field." (*Marx, Engels, Lenin, Mao Zedong, Zhou Enlai, and Deng Xiaoping on Science and Technology*, p 195) This means that the key to modernizing weaponry lies in the mastery of high-technology, which is an important symbol of the level of modernization in weaponry reflecting the real strength of a state and a nation. At present, all countries are vying with one another to develop high technologies to increase their science and technological level as a whole, including national defense science and technology. China's "863 Plan" is also focused on the development of high-technology projects, such as biological science, space flights, and the information industry, which have an important bearing on our future development. When this plan is realized, the entire science and technological level and the weaponry of our country will certainly be greatly increased. Therefore, to strengthen scientific research on high-technology projects is a pressing task for accelerating development of our Army's weaponry.

Reform structure and establishments so that they can suit the development of modern warfare. "Things will change with changes in the world situation." "Equipment must be updated along with the changes." The development of science and technology promotes the development of war. The Army is required to make continuous efforts to reform its internal structure and management methods so that it can suit the changed objective reality. In light of our Army's reality, its structure and establishments should be taken as reform breakthrough points. We must not carry out readjustment and make changes in an oversimplified manner but must reorganize the Army so that the best possible results can be obtained. Obviously, to increase and give full play to the Army's combat effectiveness, we must not merely increase the "hardware" but must also establish a more rational structure. A scientific structure and establishment will also help increase the Army's combat effectiveness because they can promote the integration of men and weapons. The

key to carrying out reform of the Army's structure and establishments in a scientific way lies in whether or not we can adapt ourselves to the development trend in modern warfare and whether or not our reform conforms to the objective laws governing the development of the Army's structure and establishments. We must prevent phenomena such as "what Commander Zhang orders is changed by Commander Li and what Commander Li changes is changed back again by Commander Wang," because they are unscientific and should be negated.

Inherit Mao Zedong military thinking and develop China's military science. The science and technology we are talking about is not merely natural science. "Science certainly includes social science." Modern military science and theories are the precursor of the Army's modernization. On 15 March 1978, in an inscription for the Academy of Military Sciences, Comrade Deng Xiaoping called on the whole Army to "inherit Mao Zedong's military thinking, study the people's warfare under modern conditions, and develop China's military science." This is the orientation for development of military science in our country in the new period. A host of facts prove that once we have made a breakthrough in theoretical research, great progress will be made sooner or later in production and technology. Advanced military theories will certainly help increase the Army's combat effectiveness. Without advanced military ideas, an army is doomed to failure no matter how advanced its weapons are. Today, our Army is faced with the pressing task of developing military science. Some people said that as our Army's weaponry is backward, we will have difficulty in creating any new military theories. This is a one-sided point of view. In the military history of the world, it has often happened that the inventors of new weapons were not necessarily the creators of new scientific tactics. In the years of war, despite our backward weapons, our Army created the world's most advanced theory on the people's war as well as strategies and tactics. At present, to develop China's military science, it is first necessary to continue to put Mao Zedong's Military Thinking in the guiding position. Mao Zedong's Military Thinking is a scientific theory which has been examined by the long-term practice of war. Its basic principles and viewpoints are still the truth guiding us to win victory in war. Apart from this, we must also pay attention to the trend of merging military and natural sciences and open up new spheres of study and explore new problems. Marx pointed out: "Natural science is the foundation of all knowledge." (*Collected Works of Marx and Engels*, Vol 47, p 572) It was based on the latest achievements of natural sciences at that time that Marx created his great doctrines. Similarly, to carry out research on military science, we must have a good knowledge of natural science. Only thus can we make use of the latest achievements in natural science to vigorously push forward our research on military theories.

III.

"Science and technology form the first productive force." This is a scientific thesis because it implies

profound dialectical ideas. While emphasizing the important role played by science and technology in social development, it never says science and technology can decide and replace everything. Therefore, it is necessary to acquire a comprehensive and accurate understanding of the military significance of "science and technology being the first productive force."

The thesis of "science and technology being the first productive force" is not contradictory to the thesis on man's decisive role. Man is still the decisive factor in a war. The thesis of "science and technology being the first productive force" does not mean that science and technology have become independent factors forming the productive forces or that they are the decisive factors in the entire social development. It only means that science and technology has gone into various major factors, including laborers, subjects of labor, instruments, and management, and is playing a most important role in the development of productive forces. The materialist conception of history holds that man is the decisive factor for promoting social progress. Science and technology can play their great role in transformation only when they are mastered by man. Therefore, the thesis of "science and technology being the first productive force" is not contradictory to the thesis that man is the decisive factor in social development.

Likewise, the thesis of "science and technology being the first productive force" is not contradictory to the thesis that man is the decisive factor in war either. Comrade Mao Zedong's famous thesis that man is the decisive factor while weapons are important factors in war has been proved to be an objective law by past wars. It will also be proved by future wars. War is not only a trial of strength but also a trial of wit. Obviously, whether the combat effectiveness can be effectively released to achieve the goal of war is decided by man. The role of science and technology is to reduce unnecessary sacrifice, speed up the process of war, and achieve the victory of war at the least possible cost. Of course, the man we are talking about is not ordinary manpower but the man mastering advanced weapons and with good military, political, and science and technological qualities. Thus, when we emphasize the role of science and technology, we mean to strengthen the role of man and turn this role into the decisive factor for achieving victory. We do not mean to negate the role of man.

The thesis of "science and technology being the first productive force" is not a negation of the importance of basic theories. In military science, we must continue to put Mao Zedong's Military Thinking in the guiding position. The significance of the thesis of "science and technology being the first productive force" is that it emphasized the position and role of science and technology in productive forces. It does not despise the basic theories which are not included in productive forces. Moreover, the development of modern science and technology is increasingly relying on the development of basic theories. This is vastly different from the 18th and 19th centuries. When Watt invented the steam engine, the

second law of thermodynamics had not yet been discovered. When Marconi or Popov invented radio communications, they did not use Maxwell's electromagnetic theory. Thomas Edison was a "high-yield" inventor but, at the same time, he was "blind in mathematics." However, all important science and technological achievements of modern times have, without exception, something to do with the breakthrough in basic theoretical research. For example, the theory of relativity at the beginning of this century, the quantum mechanics theory of the 1920's, the atomic nucleus structure and basic particle theory of the 1930's and 1940's, and the molecular genetics of the 1950's, were all based on breakthroughs in basic theoretical research. "As in natural sciences, basic theoretical research cannot be neglected in philosophy and social science. Such research is indispensable to achieve a great advance in theoretical work."

The core of the basic theories of China's military science is Mao Zedong's Military Thinking. In the past, we relied on Mao Zedong's Military Thinking and defeated the well-equipped enemy. Today, we must continue to use the basic principles of Mao Zedong's Military Thinking to study the new situation and new problems of modern warfare. Only thus can our military science further develop. All attempts to establish a so-called "new system" by deviating from, or even negating, Mao Zedong's Military Thinking are harmful. To develop China's military science, we must try to make a breakthrough in basic theoretical research under the guidance of Mao Zedong's Military Thinking. This is a matter to which we must always pay attention.

The thesis of "science and technology being the first productive force" does not mean neglecting the value of science and technology in building spiritual civilization. Science and technology and the political superiority of our Army form a dialectical unity. Apart from the decisive role in the development of productive forces, science and technology also has a great spiritual value. Engels said in definite terms: The results of combination of science and philosophy are materialism, the Enlightenment, and the German political revolution. The results of combination of science and practice are the British social revolution and industrial revolution. When talking about new democratic culture in Yanan, Mao Zedong also attached great importance to defining the nature and characteristics of new culture with science. Today, the main contents of socialist spiritual civilization we are building are scientific spirit, scientific attitude, scientific method, and science and cultural quality. Therefore, when we emphasize that "science and technology form the first productive force," we do not mean to neglect the spiritual value of science and technology. On 27 April 1991, when talking about the decisive role of productive forces in social development at the national forum on party building theory, Comrade Jiang Zemin emphasized that "it is necessary to affirm fully the powerful reaction of spirit on materials, social consciousness on social being, production relations on productive forces, and the superstructure on the economic basis." He pointed out that

practices, such as vulgarizing the principle that productive forces will eventually play the decisive role and despising, belittling, or even negating the reaction of spirit, social consciousness, production relations, the superstructure, and politics, are not Marxist viewpoints. They are extremely harmful in practice."

The spiritual value of science decides that the development of science and technology and the development of our Army's political superiority are not contradictory. Our Army is a People's Army under the leadership of the CPC. The communist conviction of all army personnel is a political superiority of our Army and the fundamental factor for our Army in defeating all enemies and overcoming all difficulties. We must realize that with both political superiority and science and technology, our Army's might will be redoubled. Moreover, the political superiority of our Army can also play a great role in promoting and speeding up science and technological development and in giving play to the roles of science and technology. On the other hand, with the development of science and technology, the political superiority of our Army will also be strengthened by applying science and technology. Only when our ideals and convictions are based on a scientific basis can they be firm and reliable and can they maintain a powerful vigor.

Economic & Agricultural

Jiang Zemin, Others Visit Special Economic Zones

OW1812020591 Beijing XINHUA Domestic Service
in Chinese 1652 GMT 17 Dec 91

[By reporter Li Hu (2621 3337)]

[Text] Shantou, 17 December (XINHUA)—Today Jiang Zemin, general secretary of the CPC Central Committee, participated in celebration activities in Shantou with people of various circles at home and abroad, as well as the masses, to mark the 10th anniversary of the founding of the Shantou Special Economic Zone and its expansion.

Today the coastal city was bathed in bright sunshine and gentle breezes. At 1500, Jiang Zemin attended the foundation-laying ceremony for the Shantou Bay Bridge, accompanied by Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council; Wen Jiabao, alternate member of the Secretariat of the CPC Central Committee and director of the General Office of the party Central Committee; Xie Fei, secretary of the Guangdong Provincial CPC Committee; Zhu Senlin, acting governor of Guangdong; and Lin Xingsheng, secretary of the Shantou City CPC committee. The Shantou Bay Bridge, the largest of its kind in the country, is 2,430 meters long. Construction of the bridge will play an important role in promoting Shantou's economic development. After leaders at the foundation-laying ceremony dug a hole for the foundation stone, Jiang Zemin pushed a button to

start the drilling work for constructing the bridge's foundation. Jiang Zemin also wrote the words "Shantou Bay Bridge."

After participating in the Shantou Bay Bridge foundation-laying ceremony, Jiang Zemin visited, with great interest, an exhibition on the achievements of the Shantou Special Economic Zone over the past decade. In the wake of reform and opening up to the outside world and the development of the Shantou Special Economic Zone, industrial enterprises of the zone have produced famous, fine, and new products with the traditional characteristics of lightness, skill, and refinement. Many of those products have entered international markets. At the exhibition hall, Jiang Zemin carefully examined various products, inquired after the production situation, and encouraged workers in the special economic zone to continue their efforts to win new achievements.

In the evening, Jiang Zemin and other leaders, as well as people from various circles in Shantou, attended a celebration marking the 10th anniversary of the founding of the Shantou Special Economic Zone and its expansion. They also watched a theatrical performance.

Before the meeting, Jiang Zemin, Tian Jiyun, and Wen Jiabao cordially met noted persons from Hong Kong and Macao and representatives of Overseas Chinese, including Li Jiacheng and Zhuang Shiping.

Also attending today's celebration activities in Shantou were Chen Pixian, member of the Standing Committee of the Central Advisory Commission; Ye Fei, vice chairman of the Standing Committee of the National People's Congress; Gu Mu, Wang Guangying, and Ye Xuanping, vice chairmen of the National Committee of the Chinese People's Political Consultative Conference [CPPCC]; and Yang Chengwu, former vice chairman of the CPPCC National Committee, as well as responsible comrades of concerned central party and government departments and responsible comrades from Guangdong Province and the Guangzhou Military Region.

Officials 'Disappointed' at Yang Absence

HK1812095891 Hong Kong SOUTH CHINA
MORNING POST in English 18 Dec 91 p 13

[By Daniel Kwan]

[Text] There were mixed feelings yesterday as Shantou celebrated the 10th anniversary of its special economic zone (SEZ).

While Shantou officials were pleased that Communist Party General-Secretary Mr Jiang Zemin flew into the city just hours before the celebrations in the morning, some said privately they were disappointed that state President Mr Yang Shangkun had not turned up.

Mr Jiang, accompanied by Mr Wen Jiabao, the alternate member of the party Secretariat, officiated at a groundbreaking ceremony for a bridge project.

Shantou officials believed a public appearance by Mr Yang would have been a morale booster at a time when the SEZ faced stiff competition in attracting foreign capital.

Some felt they had lost face since the President, who is a trusted ally of patriarch Mr Deng Xiaoping, had taken part in the 10th birthday of Zhuhai SEZ last year.

A Shantou official said: "It would be a real encouragement to us if Mr Yang had come, he is the real authority.

"Who knows how long Jiang can stay in power?"

Mr Jiang's support for Shantou was also being seen as a "half-measure" as the party boss did not put his seal on an inscription for the bridge yesterday. Chinese tradition dictates that all calligraphy and paintings be accompanied by the author's seal as a sign of approval.

Also present at yesterday's ground-breaking ceremony was Hong Kong tycoon Mr Li Ka-shing, who was given a red-carpet welcome and was chosen to accompany Mr Jiang for most of the ceremony.

Bridge Foundation Stone Ceremony Held

HK1812080991 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 17 Dec 91

[Excerpts] This afternoon, Shantou City held a foundation stone laying ceremony for the Guangdong Shantou Bay bridge at (Huanghewei) in (Longhu), Shantou.

Jiang Zemin, CPC Central Committee general secretary; Vice Premier Tian Jiyun, who is also a member of the CPC Central Committee Political Bureau; Wen Jiabao, alternate member of the Central Committee Secretariat; Wang Guangying, vice chairman of the Chinese People's Political Consultative Conference National Committee; Ye Xuanping; Chen Pixian, member of the Central Advisory Commission Standing Committee; members in charge of various ministries and commissions under the State Council; Guangdong leading figures, including Xie Fei, Zhu Senlin, Lin Ruo, and others; public figures from Hong Kong including Li Jiacheng; and guests from the country and abroad, numbering about 1,000 people, attended the ceremony.

CPC General Secretary Jiang Zemin wrote the name of the bridge, Shantou Bay Bridge, and personally activated the drilling machine.

The bridge is located in the Shantou Special Economic Zone. The bridge, which will be 2,439 meters long, and under which a 50,000-tonne ship can sail, will be the longest sea-spanning bridge in the country so far. [passage omitted]

The total investment will amount to 200 million yuan and the bridge is scheduled to be open to traffic in April 1994. [passage omitted]

Shantou 'Grand Rally' Held

HK1912054291 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 18 Dec 91

[Excerpt] A grand rally to mark the 10th anniversary of the founding of the Shantou Special Economic Zone, as well as its enlargement, was held at the Chaoshan Gymnasium yesterday evening.

Jiang Zemin, CPC Central Committee general secretary; Vice Premier Tian Jiyun, who is also member of the CPC Central Committee Political Bureau; Wen Jiabao, alternate member of the CPC Central Committee Secretariat; Chen Pixian, member of the Central Advisory Commission Standing Committee; Ye Fei, vice chairman of the National People's Congress Standing Committee; Gu Mu and Wang Guangying, vice chairmen of the Chinese People's Political Consultative Conference National Committee; Ye Xuanping; leaders from central departments concerned under the State Council; leading members from the Guangdong authorities and Guangzhou military region, including Xie Fei, Zhu Senlin, Zhu Dunfa, Lin Ruo, Wu Nansheng, and others; distinguished guests from the country and abroad; leaders of Shantou City; and representatives from various quarters, numbering 3,000, attended the ceremony.

Lin Xingsheng, Shantou City CPC Committee secretary, briefed the audience on the enormous achievements scored by the special economic zone over the last 10 years following its founding and its development plan for the next 10 years.

On behalf of the Guangdong Provincial CPC Committee and government, Xie Fei also spoke at the rally. He pointed out: The arduous efforts over the last 10 years brought an eye-catching change to the Shantou Special Economic Zone. Facts have once again proved that the founding of special economic zones initiated by Chinese communists with Comrade Deng Xiaoping as their champion is an epochal historical undertaking. We must continue to adhere to the party's basic line, conscientiously carry out the spirit of the Eighth Plenary Session of the 13th CPC Central Committee, further free ourselves from old ideas, open more widely to the outside world, and deepen the reform so that we can run the special economic zones in Guangdong even better, enable them to serve as windows through which we can gain access to advanced management expertise and knowledge and a window of opening to the rest of the world, and obtain more new experience in our efforts to build socialism with Chinese characteristics. [passage omitted]

Tian Jiyun on Development, Agriculture

HK1812031391 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 17 Dec 91

[Text] Yesterday evening, State Council Vice Premier Tian Jiyun was interviewed in Shantou's (Jinhaiwan Hotel) by Chinese and foreign reporters who have come to attend the activities to mark the 10th anniversary of

the Shantou Special Economic Zone [SEZ] and the enlargement of the Shantou SEZ. Tian Jiyun answered their relevant questions.

Tian Jiyun said: Over the past decade, there have been very great achievements in the development of China's SEZs. Their development has played a role of absorbing things from abroad and gradually spreading those imported technologies and management experiences at home. Vice Premier Tian Jiyun said: China's policy for SEZs is firmly established and remains unchanged. It not only remains stable and unchanged, but also needs further improvement and development. Development of the SEZs will not stop in the future and still less will it fall back. Rather, it will develop at a faster pace.

When reporters asked whether or not the pace of SEZ development will slow down as the central authorities have stated that they will place agriculture in the first place, Tian Jiyun answered: No. Agricultural development and SEZ construction supplement and promote each other. Agricultural development will create more favorable conditions for SEZ development. The industrial development and the growth of foreign trade and exports in recent years are bound up with the stability and development of agriculture.

Xiamen Anniversary Marked

*OW1912020491 Beijing XINHUA Domestic Service
in Chinese 1630 GMT 18 Dec 91*

[By XINHUA reporter Wang Weizhong (3769 3555 0022) and RENMIN RIBAO reporter Pan Didu (3332 1593 6757)]

[Text] Xiamen, 18 December (XINHUA)—Addressing a rally this afternoon to mark the 10th anniversary of the development of the Xiamen Special Economic Zone, Jiang Zemin, general secretary of the CPC Central Committee, stressed: The exceptional achievements made in building special economic zones fully prove that, following the Third Plenary Session of the 11th CPC Central Committee, the basic line of focusing on economic construction, upholding the four cardinal principles, and adhering to the basic line of reform and opening to the outside world, as well as Comrade Deng Xiaoping's decision on setting up special economic zones and opening more coastal areas to the outside world, is correct and successful.

Present at the rally were Tian Jiyun, member of the CPC Central Committee Political Bureau and vice premier; Wen Jiabao, alternate member of the Secretariat of the CPC Central Committee and director of the General Office of the committee; Chen Pixian and Ji Pengfei, members of the Standing Committee of the CPC Central Committee Advisory Commission; Ye Fei and Wang Hanbin, vice chairmen of the National People's Congress Standing Committee; Hong Xuezhi, Gu Mu, and Wang Guangying, vice chairmen of the Chinese People's Political Consultative Conference [CPPCC] National Committee; Yang Chengwu and Wang Feng, former vice

chairmen of the CPPCC National Committee; leading members of relevant departments under the CPC Central Committee and the central government; leading members of Guangdong Province and the Nanjing Military Region; and cadres and masses in Xiamen and people of all walks of life from Hong Kong, Macao, Taiwan, and overseas, totaling more than 30,000 people.

Jiang Zemin gave an important speech at the rally. He said that opening to the outside world and actively developing economic and technical exchanges and cooperation with various countries and regions in the world on the basis of relying on our own efforts is China's basic, long-term policy and an important requirement for China's socialist modernization program. He pledged that China would do an even better job in managing the special economic zones and would bring about a new situation for China's opening endeavor.

After Jiang Zemin spoke, Chen Guangyi and Zou Erjun, respectively secretary of the Fujian Provincial CPC Committee and mayor of Xiamen, also addressed the rally.

Before the beginning of the rally, Jiang Zemin, Tian Jiyun, and Wen Jiabao met with Huang Keli, Huang Guanghan, Xu Dongliang, Tan Huizhu, and other celebrities who made a special trip to Xiamen from overseas to attend the celebration activities.

More than 7,000 young people performed a large calisthenic group exercise called "The Soaring Island of Egrets" at the rally.

Jiang Addresses Xiamen Gathering

*OW1912041091 Beijing XINHUA Domestic Service
in Chinese 1543 GMT 18 Dec 91*

[Speech by Jiang Zemin at a celebration meeting marking the 10th anniversary of the founding of the Xiamen Special Economic Zone on 18 December]

[Text] Xiamen, 18 December (XINHUA)—Comrades, friends: We have come to Xiamen and Shantou to celebrate the 10th anniversary of the founding of the two special economic zones [SEZs]. On behalf of the party Central Committee and the State Council, I would like to extend my warm greetings and cordial regards to the people of the SEZs and to comrades who have been laboring and working hard for the construction of the SEZs! I would also like to express my warm welcome and heartfelt gratitude to our guests and to compatriots from Hong Kong, Macao, and Taiwan, Overseas Chinese and friends from various countries who have shown concern for and supported our reform, open policy, and cause of modernization!

Adherence to opening up to the outside world and actively developing economic and technological exchanges and cooperation with various countries in the world on the basis of self-reliance is our country long-term and fundamental policy and is also an important

condition for promoting our country's socialist modernization. Shenzhen, Zhuhai, Shantou, Xiamen, and Hainan special economic zones are on the forefront of our country's opening up to the outside world and are playing an increasingly important role as windows and bases in developing foreign trade and expanding economic and technological cooperation with foreign countries. The success of these SEZs has fully proven that the basic line formulated since the Third Plenary Session of the 11th CPC Central Committee on making economic development our central task while adhering to the four cardinal principles and persevering in reform and opening up to the outside world is entirely correct. The policy decision pioneered by comrade Deng Xiaoping on setting up SEZs and further opening up the coastal regions is correct and successful.

Xiamen has been our country's foreign trade port for a very long time. Since its founding 10 years ago, the Xiamen Special Economic Zone has made eye-catching achievements in economic and social development. When we visited Xiamen 10 years ago, the urban area was quite small with few factories, and the economy was very backward. Today we have seen the great change in the outlook of this ancient city. Through opening up to the outside world and attracting businessmen from foreign countries, and as a result of Hong Kong and Taiwan making investments and importing and using advanced technologies and scientific management experience, some 1,000 new enterprises have been established, many tall buildings have been constructed, and commerce and trade have prospered. Taking industry as the foundation, an export-oriented economic pattern with the integration of industry and trade and comprehensive development of various trades has been established. The construction of the Xiamen Special Economic Zone has played an important role in promoting the economic development of southern Fujian and has made positive contributions to developing economic contacts between the two sides of the strait and promoting the cause of reunifying the motherland. The development of Xiamen, Shantou, and other special economic zones has all further shown the great vitality and energy brought by reform and opening up to the outside world, demonstrated the superiority of the socialist system, and enriched our theory and practice of building socialism with Chinese characteristics.

Our country's national economy, through improving the economic environment and rectifying economic order and deepening reform, has basically achieved its expected goal and is developing in a good direction. It will enter a new period of sustained, stable, and coordinated development. The 1990's is a critical decade in China's economic development, and the country will concentrate its efforts to promote the economy and achieve overall social progress on the basis of maintaining political and social stability. We should make sure to attain the second-step strategic objective of modernization and create conditions for attaining the third-step strategic objective in the next century. We

have formulated and are implementing the 10-Year Program and the "Eighth Five-Year" Plan for national economic and social development of our country. The recently convened central work conference and the Eighth Plenary Session of the 13th CPC Central Committee have made policy decisions on invigorating large and medium-sized state-owned enterprises and strengthening agricultural and rural work respectively. These are all major measures for the realization of the second-step strategic objective. Further opening up to the outside world is also an important measure to realize this strategic objective. We should further improve our work in SEZs, and consolidate and develop the existing economic and technological development zones, coastal open cities, and coastal economic open regions. We should further implement the economic development strategy for coastal regions, actively develop export-oriented economy, further expand economic and technological cooperation with foreign countries, actively and effectively absorb foreign investment, import advanced technologies, expand foreign trade, develop international exchanges, and strengthen our competitive ability on the world market, so as to create a new situation in our country's opening up to the outside world.

SEZs should seriously sum up experiences and further promote their work in various fields. SEZs should take the overall national economic development into consideration and rationally formulate plans for development and construction to ensure they continue to develop more healthily in economic construction and opening up to the outside world. SEZs should shift the focus toward relying on scientific and technological progress, enhancing labor quality, and improving economic and social efficiency. Based on the state industrial policy, we should follow the worldwide course of new technological revolution, actively readjust industrial structure, and strive to develop new and advanced technologies. Meanwhile, we should combine the attracting of foreign investment with speeding up the renovation of old enterprises. SEZs also must improve the operation of state-owned enterprises and constantly enhance their vitality. It is essential to vigorously develop the tertiary industry which serves production and export operations, especially information, banking, and trade. We should promote reasonable restructuring and modernization of enterprises in SEZs, and strive to achieve significant results in this respect with a broader vision and bigger strides. We should continue to strengthen lateral ties and coordination with the hinterland, promote construction and opening inland regions, more effectively develop the role of introducing investment from abroad and establishing lateral ties at home and fanning out towards both outside and inside [shuang xiang fu she 7175 0686 6553 1410] in national economic development, and raise export-oriented economy to a new level.

SEZs are "soldiers standing on the front line" of China's reform and opening up to the outside world. SEZs should center on the general goal of establishing and perfecting

the new economic system and operational mechanism suitable for the development of socialist planned commodity economy which integrates planned economy with market adjustment. SEZs should actively and appropriately promote reform of economic and political structures in various fields in a well coordinated manner, and create good experiences in this respect. In addition, SEZs should attach great importance to properly grasping the building of socialist spiritual civilization and socialist democracy and legal system. It is essential to unrelentingly conduct education on the four cardinal principles, effectively strengthen ideological and political work, and resolutely resist the corrosion and influence of all negative and corrupt ideas. We should strive to eliminate all the phenomena conflicting with socialist morals and Chinese traditional merits so that the development of SEZs will always advance along the path of socialist orientation. We should also cultivate a large number of outstanding work forces for socialist modernization who are willing to make sacrifices and pay attention to good social customs, unity, ethics, civilization, and courtesy.

The Xiamen SEZ and Taiwan are only separated by a strip of water, and are an important window for economic and cultural exchanges between the two sides of the strait. The Xiamen SEZ should give full play to its favorable conditions to actively promote mutual understanding and exchanges between the two sides of the strait, enthusiastically welcome Taiwan compatriots to take part in the construction of the SEZ, and make new contributions to promoting the great cause of reunifying the motherland.

We also eagerly hope that compatriots from Hong Kong, Macao, and Taiwan, overseas Chinese and friends from various countries would continue to show concern for, support, and take part in the construction of our country's special economic zones.

With the concern and support from various circles at home and abroad, I believe that the SEZs will make faster progress in a more solid manner in the future. By the year 2000, the SEZs will achieve even more abundant results in building socialist material and spiritual civilization and display a new and more prosperous look.

Jiang Meets Teachers, Students

*OW1912132191 Beijing XINHUA in English
1303 GMT 19 Dec 91*

[Text] Xiamen, December 19 (XINHUA)—The Central Committee of the Chinese Communist Party (CPC) holds great expectations for the young generation, fully trusts them and has confidence in them, said Jiang Zemin, general secretary of the CPC, here today.

The party chief made the remarks when he talked with representatives of teachers and students at Xiamen University. Jiang was in Xiamen to celebrate the 10th anniversary of the founding of Xiamen Special Economic Zone.

During the talks he pointed out that the young generation shoulders very heavy responsibility for the future of the world. "We are now all working hard to do our bit," he added.

He said that young people should withstand necessary tests and should also study hard and integrate what they have learned with reality.

The general secretary encouraged young people to have lofty ideals and devote themselves to their work.

During the 50-minute talks, Jiang also emphasized the importance of education and expressed gratitude to the teachers.

MOFERT on Foreign Economic Ties, Trade

*OW1812135191 Beijing XINHUA in English
1216 GMT 18 Dec 91*

[Text] Beijing, December 18 (XINHUA)—China's exports in the first 11 months this year rose by 17.3 percent and imports went up 16.3 percent, compared with the same period last year, according to the Ministry of Foreign Economic Relations and Trade (MOFERT) here today.

Foreign investment during this period reached 9.56 billion U.S. dollars, an increase of 70.9 percent over the same 1990 period. Over 90 percent of the foreign-funded projects are production ones, including some projects each with an investment of more than 100 million U.S. dollars.

During this period, China signed loan agreements involving a total of 5.63 billion U.S. dollars, up nearly 20 percent over the same period of last year.

Perhaps the most remarkable was the import of technology. Statistics by MOFERT show that the contracted volume of technological imports between January and October this year reached 2.75 billion U.S. dollars, or more than four times that of the same period last year.

Meanwhile, China helped complete 18 projects in 11 developing countries and signed contracts for 35 new projects in 29 Third-World countries in the first 10 months of this year.

Expanded Imports, Exports Seen

*OW1912115691 Beijing XINHUA in English
1138 GMT 19 Dec 91*

[Text] Beijing, December 19 (XINHUA)—China plans to expand its exports by six percent next year, according to sources at the Ministry of Foreign Economic Relations and Trade (MOFERT) here today.

Imports will also grow, in line with the principle of basically keeping a balance between imports and exports, the sources said.

Technology imports will rise at an "appropriate" rate. Statistics from MOFERT show that the contracted volume of technology imports in the first ten months this year reached 2.75 billion U.S. dollars-worth, four times the figure for last year.

Further improving the environment for foreign investment is also top of next year's agenda. By doing so, MOFERT hopes to get more foreign direct investment and loans from international financial organizations and foreign governments.

Also next year, MOFERT will expand economic cooperation with developing countries, take an active part in multinational trade activities and strengthen relations with the United Nations.

Foreign-Funded Enterprises Continue To Increase

*OW1712143491 Beijing XINHUA in English
1412 GMT 17 Dec 91*

[Text] Beijing, December 17 (XINHUA)—Foreign-funded enterprises account for 6.1 percent of the country's largest enterprises in terms of sales volume.

The 1990-91 list ranking the top 300 foreign-funded enterprises in China was jointly released by the State Statistics Bureau and the State Ministry of Foreign Economic Relations and Trade.

In the latest ranking, some 78 foreign-funded enterprises have exceeded total sales volume of 100 million yuan each this year. The Sino-German Shanghai Volkswagen Corporation leads with a total assets of 1.64 billion yuan and a total profits of over 180 million yuan. Some 31 of the foreign-funded enterprises are among the country's 506 largest enterprises in terms of sales volume.

Statistics show that most of the 300 enterprises on the list are operating in the fields of textiles, garments, electronic products, electric appliances, foodstuffs, machinery, chemicals, automobiles, and energy.

And most of the enterprises are located in Shanghai, Shenzhen, Guangzhou, Beijing, Tianjin, Xiamen, Foshan, Zhuhai and Shantou.

This year, the country has approved an additional 10,000 foreign-funded enterprises, boosting the total number in the country to 38,000. Foreign enterprises registered a total turnout of 70 billion yuan and earned 7.8 billion U.S. dollars in foreign exchange in 1990.

Foreign-Funded Firms Begin To Make Profits

*HK1612113491 Beijing ZHONGGUO XINWEN SHE
in English 1059 GMT 16 Dec 91*

[Text] Beijing, December 16 (HKCNA)—According to the Assistant to the Minister of Foreign Economic Relations and Trade (MOFERT), Mr. Yu Xiaosong, China's foreign-funded enterprises have passed out of their low

economic results period since 1987 and have entered a normal production operation period and stage of profit-making.

As of the first half of this year, there were 16,000 three type foreign-funded enterprises operating in China. Last year, the industrial production value of all such enterprises totalled RMB [Renminbi] 70 billion, paying taxes of RMB 4.35 billion. The number of such enterprises making profits accounts for about 70 per cent of the total.

More than 800 three type foreign-funded enterprises earning foreign exchange of over U.S.\$1 million each were commended by the Ministry of Foreign Economic Relations and Trade last year. This year, the National Association of Foreign Invested Enterprises commended more than 383 three type enterprises which earned over US\$2 million of foreign exchange and profits of over U.S.\$1 million each in 1990.

During the first six months of the year, among the 165 foreign-invested enterprises that went into operation in Tianjin, 23 of them made a profit of over U.S.\$1 million each, an increase of 100 per cent in number compared with the same period last year and a rise of profit value of 200 per cent.

Attracted by such good profits, more and more foreign-invested enterprises have increased their capital for expansion. Over 140 three type enterprises have increased their capital by a total of U.S.\$160 million since 1988, accounting for one quarter of the number of enterprises operating in Xiamen. At the same time, foreign businessmen have tended to develop whole pieces of land in Tianjin, Dalian, Shanghai, Fuzhou, Shenzhen and Hainan, in order to pursue large-scale profits. Foreign businessmen have invested nearly U.S.\$200 million in Fujian to develop an industrial zone occupying an area of 13.8 sq. kilometres.

According to an investigation carried out by the Foreign Investment Administrative Bureau of MOFERT, there was no great difference in economic results found between the three-type enterprises in the earlier opened coastal areas and those in inland areas, while there was a close relationship with the type of business invested, the form of investment, the scope of investment, sales direction and management skills. In general, the three type enterprises jointly operated with state-owned enterprises have better results.

The Foreign Investment Administrative Bureau believes that the economic results of the three type enterprises basically coincide with the investment policy of the Chinese government. The three type enterprises engaged in production development, in cooperation with old state-owned enterprises, technologically advanced, earning foreign exchange from exports and with large investment scale, which are encouraged by the Chinese government are most likely to make large profits.

\$1.3 Billion in Taxes Expected

HK1712054191 Beijing CHINA DAILY in English
17 Dec 91 p 1

[By staff reporter Chang Hong: "Foreign Firms Pour \$1.3 Billion Into Tax Coffers"]

[Text] The Chinese treasury has begun to reap the fruit of the country's fledgling foreign investments, and is expecting to collect 7 billion yuan (\$1.3 billion) in taxes from overseas-funded enterprises this year.

Although many of the 15,000 businesses are still in their tax-free period—a policy adopted by the government to encourage capital influx—this year's tax revenue marks a 2 billion yuan (\$370 million) increase over last year, according to a top Chinese tax official.

"As more firms come out of the tax-immunity period, the tax volume is estimated to hit an annual 10 billion yuan (\$1.8 billion) within two or three years," said Jin Xin, director of the State Taxation Bureau.

Jin told a group of delegates to the National People's Congress yesterday in Beijing that tax authorities stick to the principle of guaranteeing State interests while granting concessions and observing international practice when taxing foreign-funded firms.

To improve the investment environment, he added, the government has reached accords with 32 countries in the world on the avoidance of double taxation.

Jin said that some local authorities have gone their own way to offer foreign-funded enterprises still further tax reductions, and he alleged tax-dodging was prevalent among foreign-invested enterprises.

"It must be stressed that there is only one voice, the voice of central government, in announcing taxation policies," Jin said.

The director said taxes from the private business sector are expected to exceed 16 billion yuan (\$2.9 billion) this year.

This would represent an increase of 1.5 billion yuan (\$270 million) over last year.

Nearly 300 billion yuan (\$55 billion) in taxes, collected from 30 million taxpayers, including individuals and collectively-owned, State-run and foreign-funded firms, makes up 90 percent of the yearly State revenue in China.

Jin said it was possible that this year's quota for industrial and commercial taxes would be met despite the financial situation.

Economist Praises New Economic Reform Efforts

HK1512071691 Hong Kong MING PAO in Chinese
14 Dec 91 p 54

["Special Interview" by Chen Meng (7115 5536): "Economist Wu Jinglian Cheers for China's Warming Up of Economic Reform"]

[Text] Renowned Chinese economist Wu Jinglian, who was criticized for vigorously advocating "a breakthrough in the price bottleneck," has recently broken his long silence by delivering a series of speeches, cheering for China's warming up of economic reform, while stressing the need of pushing the market-oriented reform in a big way.

Wu Jinglian holds the view that during 10-years of reform and opening up, with China's economy having gone through the test of several ups and downs, academic circles have further expounded the theoretical issue of reform and arrived at the conclusion that planning and the market are the ways and means for the disposition of natural resources, but not the criteria for differentiating socialism and capitalism. There is planning in capitalism, and there is a market in socialism. Refraining from pursuing the market-oriented economy would be wallowing in backwardness.

Wu Jinglian is one of the renowned Chinese economists who advocate reform in a big way in China's theoretical economics circles. He has all along believed that the major battleground of China's economic reform is in the area of price reform. His concept was accepted by the CPC top echelon and became reform's main direction. Nevertheless, the timing was not right; it was at a time of an overheated economy and inflation when the "breakthrough in the price bottleneck" was pursued in 1988, which resulted in mass panic on the mainland with an unprecedented rush to purchase. Thus, the "breakthrough in the price bottleneck" had to be shelved; consequently, Wu Jinglian was criticized.

Wu Jinglian believes that through several years of improving the economic environment, a rather relaxed environment has taken shape; in addition, through 10 years of reform, the market essentials have grown in all places and every economic arena to various degrees nationwide, with the conditions for pushing market reform ripened.

Wu holds the view that pushing market-oriented reform involves the following aspects: First, changing state-run enterprises into independent commodity producers with autonomy in management, assuming sole responsibility for profits or losses. Second, establishing a competitive market system, including commodity markets, capital, labor and foreign exchange; meanwhile, managerial people should also be included in the market. And third, in all reform, the state should control the overall situation, while establishing indirect regulation and control through the market as the medium in the main, with the shaping of a macroscopic regulating system in which the

state regulates and controls the market, which in turn guides enterprises in the main.

Regarding some people linking marketization to privatization, Wu Jinglian believed that in reality, those two concepts are entirely different kettles of fish. To his mind, the disposition of natural resources based on the market has been to date the sole way of efficient disposition of natural resources in a socialized economy. The market-oriented economy is not destined to be incompatible with public ownership. Wu Jinglian is for establishing a joint-stock company with several legal persons of public ownership holding stocks in the main, and individuals holding stocks as supplement, with work as the microscopic basis for the socialist commodity economy. Should the view that state-run enterprises must be directly managed by the state be insisted on, that would really jeopardize the public ownership economy and be conquered by capitalism in the end.

Auditors Discuss Strengthening Work on All Levels

*OW1812004891 Beijing XINHUA in English
1530 GMT 17 Dec 91*

[Text] Beijing, December 17 (XINHUA)—Beginning in 1992, China will gradually strengthen the auditing of the finances of governments of all levels in order to rationalize the distribution funds between the central and local governments.

Lu Peijian, auditor-general of the Auditing Administration, announced the new program today in Beijing at a national auditing conference.

According to Lu, the program will be undertaken in a step by step process over the next few years.

He said that annual audits will be conducted on the financial status of governments in provinces, autonomous regions, municipalities under direct central control, and cities with provincial level economic rights. In addition, according to Lu, audits of prefectures and county-level areas will be conducted every two to three years.

Lu noted that the state will also strengthen audits of banking departments, as well as large- and medium-sized state enterprises, especially those suffering from increasing losses.

Audits of investments in fixed assets, as well as expenditures by government departments, will be a priority, said Lu.

He noted that additional audits will be conducted on funds used to aid poverty stricken areas, and those used for cultural and educational purposes will also receive greater attention from auditing departments.

Lu pointed out that audits have played an increasingly important role in the country's economic construction.

For example, he said that in the past eight years, the country's auditing departments have recovered over 17.4 billion yuan (about three billion U.S. dollars) in losses, and have saved over four billion yuan in capital construction investments.

Auditors have discovered over 1,300 cases of serious graft, according to Lu.

China now has over 71,000 auditors employed by the state, while at the same time over 100,000 auditors work directly for government departments, institutions and enterprises.

Lu disclosed that the State Audit Bureau has opened offices in 16 cities, as well as in 41 State Council departments.

Production Control, Stockpile Reduction Progresses

*OW1712013291 Beijing XINHUA Domestic Service
in Chinese 0757 GMT 16 Dec 91*

[Text] Beijing, 16 December (XINHUA)—After three months of hard work by various departments in localities, the production control and stockpile reduction work planned by state-run industrial enterprises within the framework of the national budget has achieved initial results.

Statistics provided by the State Council Production Office today indicate that as of the end of November, finished products from state-run industrial enterprises within the budget took up 126.709 billion yuan of capital funds, down 5.87 billion yuan from that of the end of October and 3.88 billion yuan from that of the end of June. Among the 43 provinces, regions, cities, and cities with provincial level economic decision-making authority shouldering the task of reducing stockpiles, 35 provinces, regions, and cities have reduced finished products funds to a level below that of June, while the other seven have made reductions in excess of 200 million yuan. Of this, Hebei has reduced 523 million yuan, Liaoning 522 million yuan, Henan 395 million yuan, Jiangsu 301 million yuan, Tianjin 295 million yuan, and Shandong 254 million yuan. But the proportion of funds tied up in finished products is still increasing in certain provinces, regions and cities.

Enterprises' economic efficiency has also improved further, while production control and stockpile reduction work has made progress. During the January to November period, sales reached 1.0003 trillion yuan, up 18.2 percent from that of the same period last year. Profits and taxes were up 129.7 billion yuan, an increase of 9.7 percent.

A responsible official from the State Council Production Office said that production control and stockpile reduction work is a very difficult task. Various departments in all localities should continue to earnestly implement the State Council Production Office's suggestions on further improving production control and stockpile reduction

work recently approved and relayed by the State Council; further enhance leadership and practically implement measures to reduce stockpiling of finished products; and resolutely give priority to adjusting product mixes, promoting technological advancement, transforming management systems, and upgrading economic efficiency in our industrial and communication work in order to promote sustained, stable, and harmonious development of industrial production.

Economy Developing Rapidly in Minority Regions

*OW1812111891 Beijing XINHUA in English
1022 GMT 18 Dec 91*

[Text] Chengdu, December 18 (XINHUA)—The economy has developed rapidly in China's autonomous ethnic areas in recent years.

Statistics released by a National Conference on Developing Private Economy in Minority Regions recently showed that the industrial output value of China's minority regions reached 129 billion yuan (\$25.8 billion) last year, which was 57 percent of the total industrial and agricultural output value in these areas in 1990.

Other statistics from the conference, which was held in Chengdu, also showed that the gross national income and agricultural production in the minority regions in 1990 were respectively increased by 7 percent and 10 percent compared with 1989. And the per capita income of the farmers and herdsmen in minority regions reached 540 yuan in 1990, twice that six years ago.

According to Ren Wenjing, vice minister of the State Nationalities Affairs Commission, more than 1,200 large and medium-sized enterprises have been established in China's five autonomous regions and the remote Yunnan, Guizhou and Qinghai Provinces during the past four decades. These enterprises have become pillars of economic construction in the minority regions.

Ren said that a large number of national key projects will be constructed in the minority regions during the Eighth Five-Year Plan period (1991-1995). Now the Jungar Coal Mine in Inner Mongolia, the Tarim Oil Field in Xinjiang and the Tianshengqiao Power Station in Guangxi are under construction.

According to Ren, the central government has also made more investments in agricultural production in minority regions in recent years. Xinjiang, Tibet, Inner Mongolia and Ningxia have reaped rich harvests for several years running.

In addition, according to Ren, the minority regions have opened wider to the outside world during the past few years. Now these areas have played an increasingly important role in trade exchange between China and other countries.

In 1990, the five autonomous regions signed 138 contracts with foreign businessmen, involving an investment of 200 million U.S. dollars.

Zou Jiahua, Chen Xitong Attend Awards Ceremony

*OW1712130091 Beijing XINHUA Domestic Service
in Chinese 0333 GMT 17 Dec 91*

[By reporter Li Anding (2621 1344 1353)]

[Text] Beijing, 17 December (XINHUA)—A total of 169 construction companies, including the Shanghai No. 1 Construction Engineering Company, Beijing No. 1 Construction Engineering Company, and the No. 4 Construction Company of the China Petrochemical Corporation, and 186 comrades, including Zhang Jiyao and Fu Jicang, have been awarded the titles of advanced national construction enterprises and national construction enterprises' outstanding project managers respectively. Vice Premier Zou Jiahua, State Councillor Chen Xitong, State Council Secretary General Luo Gan, and Minister of Construction Hou Jie attended a ceremony in Beijing yesterday during which they presented the awards to the enterprises and individuals.

In the 1980's, the masses of staff members and workers of China's 74,000 construction enterprises, working industriously in all parts of the country, persisted in developing and promoting reform. They worked hard to set up and improve a new mechanism suitable for the socialist planned commodity economy and for the characteristics of the construction industry. They built nearly 400,000 energy, water conservation, transportation, and other industrial projects in both the coastal areas and inland areas, on land and underwater, and in both urban and rural areas, which resulted in a large-scale production capacity that included the capacity to generate 70.1 million kilowatts of electricity and the capacity to manufacture 100.1 million metric tons of cement. They also built 5,807 km of railroads and 30,040 km of highways. During this period the loading and unloading capacity of ports along the coast increased by 200.7 million metric tons. In addition, a large number of petroleum, coal-mining, and metallurgical projects were built. During the period, new living quarters completed throughout the country had a floor space of 1.28 billion square meters, and per capita living space in urban areas rose from 3.9 square meters in 1980 to 7.1 square meters.

Chen Junsheng on Reforming Administrative Organs

*OW1712223291 Beijing XINHUA Domestic Service
in Chinese 0906 GMT 17 Dec 91*

[By Reporters Li Renhu (2621 0088 5706) and Jiang Jun (1203 6511)]

[Text] Taiyuan, 17 December (XINHUA)—State Councillor Chen Junsheng attended a national symposium on reforming county-level administrative organs today. He said that reforms in county-level government organs should go beyond eliminating or merging organs and reducing personnel at government organs. Instead, we should, in accordance with the needs of the economic development, reduce the government's administrative

functions, gradually increase service functions, and strive to move in the direction of a "small government with big services."

Chen Junsheng pointed out the close relationship between county-level administrative organs and the well-being of a rural population of 900 million, and the development of agriculture, rural enterprises, and the entire rural area of China's 2,181 counties, (including county-level cities). However, county-level administrative organs are plagued by such problems as unfilled vacancies, idled personnel, bloated organizations, rapid increases of personnel in organs, gaps between management and service, personnel wrangling, and poor work efficiency. The number of personnel in the nation's county level administrative organs (excluding county-level cities) in 1990 was 1.94 million, exceeding the authorized size of the government by 230,000, thus overstraining the counties' finances. Of 2,181 counties in the nation, 1,091 suffered financial deficits in 1990. A higher number of counties are expected to encounter financial deficits this year. A large number of educated personnel and technicians are needed on the farm. However, most of them work at party and government offices. The present personnel system also impedes competent personnel from working on farmland.

Chen Junsheng highly rated the trial reform in Shanxi's Xixian County. Xixian County entrusted farm departments at county-level organs with the task of establishing 10 development and service centers. These farm departments, merely entrusted with administrative functions in the past, are now given the functions of management, service, and operation. They took the lead in agricultural production and served as market consultants for farmers. Three years of reform have enabled Xixian County to register a growth of 165 percent in total grain output, a 108 percent increase in gross agricultural output value, a 134 percent jump in revenues, and a 106 percent increase in per capita income for farmers. Now, Xixian County government is free from worrying about administrative fees for farm-related departments and salaries for cadres at those departments. Chen Junsheng held that Xixian County has made an important step in transforming government functions and in developing socialized services. He said Xixian County has found a new way to arrange work for cadres, to help organs reduce staff, and to establish a lean and "small government."

It has been learned that the State Council has approved the reform of county-level organs in Huarong, Zhuozhi, Baoan, Gaocheng, Huaxian, Shangyu, Dingxi, and Yuanping counties (cities). Various provinces, municipalities, and autonomous regions likewise have designated a number of counties for the reform experiment. Participants at the current symposium mainly discussed the reform experience in Xixian County. They studied the problems of reforming county-level administrative organs and the issues of transforming functions in those organs. Chen Junsheng made a special trip to inspect Xixian County prior to the meeting. Shanxi Provincial

CPC Committee Secretary Wang Maolin and Shanxi Governor Wang Senhao also spoke at today's meeting.

Yuan Mu Article Views Current Rural Work

OW1412132091 Beijing XINHUA Domestic Service
in Chinese 1318 GMT 13 Dec 91

[Text of article by Yuan Mu, director of the State Council Research Office, originally published on page five of the 13 December edition of RENMIN RIBAO: "Several Issues Concerning the Current Work in Rural Areas"]

[Text] Beijing, 13 December (XINHUA)—The Eighth Plenary Session of the 13th CPC Central Committee focused on discussing efforts to strengthen agriculture and rural work. This discussion will definitely play an extremely important role in realizing our country's goals for developing agricultural and rural work in the 1990's. I am of the opinion that core issues on the implementation of the meeting's guidelines concern efforts to persevere in proceeding from the fundamental goal of developing social productive forces in rural areas, to stabilize and improve basic policies in rural areas, to continue to deepen reform and open wider to the outside world, and to work hard to create an operating mechanism and an atmosphere favorable to healthy growth of the planned commodity economy. I will now mention some of my own immature opinions on these core issues.

1. Stabilizing Situations in Rural Areas

This is an issue of great importance to current rural work and of great concern to the great masses of peasants. Our country again reaped a bumper harvest in grain production this year despite catastrophic flood disasters in some of its regions, and 1990 saw the second highest production rates in our country's history. Our country's cotton production rebounded markedly; a majority of other cash crops, forestry, animal husbandry, and fishery grew further; and village and town enterprises continued to head toward healthy development. Situations in our rural areas are really very good. The current situation indicates that if we do our job well, there are good possibilities that our country will reach one more new height in agricultural growth since it started its reform and opening to the outside world.

Basic factors contributing to the emergence of such good situations in our rural areas are that our party, since the Fourth Plenary Session of the 13th CPC Central Committee, has maintained stability in basic policies concerning rural areas—policies which were gradually established following the Third Plenary Session of the 11th CPC Central Committee. Stability in policies has brought about economic development and stability in situations concerning rural areas and laid the foundation for steady development of national economics, politics, and society. In the first two years of our efforts to improve the economic environment and rectify the economic order, bumper harvests in agriculture provided a

solid material foundation for substantial reductions in the inflation rate, and development of village and town enterprises played an important role in improving situations in our industries.

Stability in rural areas is not easily attained, and it is of utmost importance that we continue to maintain it. The key to stability in rural areas in the 1990's still lies in stabilizing the party's basic policies in rural areas, in particular, stabilizing the household contract responsibility system with remuneration linked to output. We should proceed from this basis in our effort to strengthen vigorously the construction of the socialized service system, continue to improve the dual management system that combines household with collective operations, and gradually build our collective economic strength.

Right now, what the masses of peasants worry about most is policy changes. Why are peasants still afraid of changes, and why do they develop a certain degree of insecurity [bu wen ding gan 0008 4489 1353 1949] when central authorities have repeatedly declared that we should stabilize the household contract responsibility system with remuneration linked to output? The main reason is probably that although some localities mean well in developing the collective economy, they adopt certain not-so-suitable measures and bring about certain situations which affect stability in rural areas: 1) they increase contracted fees; 2) they take back some of the contracted land; 3) they turn individually and privately-run enterprises over to collectives. Although such phenomena occur only in some particular and in a few localities, their influence is not small and they should be given great attention. We can only collect according to rational standards provided by stipulations and not increase at will contracted fees or all sorts of fees that have to be submitted or retained. Contracted land can only be taken back under the condition that the contracting party has found new means of employment, already has a rather steady source of income, and volunteers to give up its land. Individually and privately-run enterprises are supplementary to the economy of public ownership, and they should enhance their active and restrict their negative roles. These enterprises should not be replaced at will; we can only practice stricter management and enhance our guidance or gradually lead them toward cooperative economics based on the needs of production and development and the principle of volunteerism.

We should not conduct, or even think about conducting, matters that run counter to popular opinions or infringe on the peasants' legal rights and interests. There are many ways for us to develop the collective economy, such as setting up village and town enterprises, tapping new agricultural resources, and developing the tertiary industry or other diversified economic undertakings, all of which provide us with plenty of scope for accomplishment. We should not speculate all the while on the few mu of land contracted by the peasants, and we should also not infringe upon the peasants' legal rights and

interest as we wish. Previous management system where the land "belongs to the collectives" and where a high degree of centralization was being practiced had slowed down or caused prolonged stagnation in economic development. Because we have been breaking the highly centralized pattern of everybody eating from "the same big pot" since the beginning of our reform and opening to the outside world, we are able to achieve today's successes. We must always bear deeply in mind the positive and negative experiences from history. A basic requirement for maintaining stability in rural areas in the future is to protect resolutely the legal rights and interests of peasants and fully arouse the peasants' enthusiasm for production.

2. Issues Concerning Principles and Methods of Developing the Collective Economy

The collective economy is the basis of socialism in rural areas; guiding and helping peasants to develop the collective economy should be a long-term principle we should uphold. Efforts to substantiate appropriately the contents of collective management and gradually build up the collective economy are more practical and urgent in rural areas which have a rather weak collective-management section in the management system whereby unified management is combined with separate management. It can be said that everybody is now more unanimous and clear in their understanding about the significant meaning of developing collective economics. However, there is a possibility that certain different views still prevail in concerning principles and methods of developing the collective economy. Inefficient handling of the issue may result in our committing the same mistakes of "meaning well but not completing our tasks accordingly" or of being too hasty.

I am of the opinion that it is essential to forward and abide by these principles when we deal with the issue of principles concerning the development of the collective economy:

1. We should persevere in the principle of not thwarting our enthusiasm in the household contract responsibility system with remuneration linked to output when we develop the collective economy. The household contract responsibility system with remuneration linked to output is a management structure, a component part, and not an opposing part of the management system whereby unified management is combined with separate management in our country's rural collective economy. The development of collective economics, which we refer to frequently, often means developing the economic strength of the structure of collective and unified management. In reality, it means that it is very difficult to provide necessary services to separate household management because in most localities economic power in the structure of unified management is weak. If we proceed from this meaning, our developing the collective economy should be through efforts to establish village and town enterprises, tap new agricultural resources, exploit new methods to accumulate wealth, and add a

piece here and mend a piece there for the collectives; it should not be through efforts to get a chunk of something from the peasants.

2. We should persevere in the principle of being market oriented when we develop the collective economy. We are currently developing commodity production, not the previous self-sufficient economy. Peasants produce because they want to sell products and boost their income. They no longer produce solely to meet their needs for food and clothing. Therefore, be it agricultural and sideline products or products from village and town enterprises, we should meet market demands, continue to improve quality, and cater to the needs of consumers. If we blindly carry out projects and develop without requiring about market prices, we will incur great economic losses, we will get half the results with twice the efforts, or we will even work to no avail.

3. In developing the collective economy, the principle of "crop cultivation first, aquatic breeding second, processing industry third" should be steadfastly implemented in most areas. Crop cultivation, aquatic breeding, and processing industries, which use raw materials from crop cultivation and aquatic breeding, should be the advantages for developing vast rural areas, where markets are reliable and added value increased at different levels brings additional incomes to peasants. Too eager to shake off poverty instantaneously, some localities asserted: "To become rich quickly, we should build more factories." Their feeling is understandable. However, due to the lack of personnel, technology, and managerial expertise, quite a few localities often ended up with failure even though there are some successful cases. Especially in some localities where the collective economy is weak, or in the so-called "empty sale" villages, it takes them a long time to recover from a setback. The experiences of various localities prove that it is necessary to take "crop cultivation, aquatic breeding, and processing industry" as the beginner's or basic industry and to develop other industries after having acquired talented personnel, technology, and a certain amount of experience. This is a more prudent means of development.

4. In developing the collective economy, it is necessary to adhere to the principle of always proceeding from the advantage of local resources in developing competitive high-quality products and pillar industries. Because each locality has different resources and development conditions, it should not deviate from the realities and follow whatever other localities are pursuing; nor should it spread out its resources on everything to the detriment of forming a general climate. Each locality must base itself on the advantage of local resources in developing competitive high-quality products and pillar industries with promising markets.

5. In developing the collective economy, it is necessary to adhere to the principle of taking active and prudent steps. China is a vast country where local conditions differ greatly. In developing the collective economy, we

should first, attach great importance to the collective economy; second, guard against the practice of seeking quick results; and third, adopt flexible and diverse forms suited to local conditions. Under no circumstances should we set uniform standards or rush headlong into everything. I disapprove of slogans like "Setting a Deadline for Eliminating Empty-Sale Villages" because they can easily cause recurrence of the practice of seeking quick results.

Whether we should persist in implementing diverse or standard unitary organizational forms of collective economy in rural areas is a practical issue facing us today. Judging from development experiences in various localities, the correct answer is diverse, not unitary, forms. We should not allow the existence of only one single model.

One of the manifestations of diversification is the varied names that collective economic organizations are permitted to use. For example, a general store [dou dian 4535 1648] is called "Agriculture, Animal Husbandry, and Industry General Company" in Beijing, but "Agriculture, Industry, and Commerce General Company" in Tianjin's Daqiu Village and Henan's Liu Village; "Agricultural, Industrial, and Commercial Production Company" in Jiangsu's Huaxi; and "International Corporation of United Enterprises" in Mouli Village in Shandong's Ninghai Township, where an export-oriented economy has been developed. It may as well be called an "economic cooperative" or "economic federation" in somewhere else. Different names are used in different parts of the country. The rapid and vigorous development of the rural economy in recent years testifies that there is nothing wrong with diversification. What is important is the substance, not names. Any name can be used as long as it suits the purpose of developing productive forces and is conducive to revitalizing the economy; and as long as it can perform the functions of serving production, coordinating management, exploiting resources, setting up enterprises, and accumulating assets.

Another manifestation of diversification is the different forms under which collective economic organizations are allowed to be set up. They can be set up according to administrative division, or to the demands of various trades outside the administration division; they can be set up by individual economic organizations owned by collectives, or can be developed jointly with economic organizations owned by different sectors of the economy; and peasants are allowed to participate in comprehensive village and township collective economic organizations, as well as other specialized collective economic organizations at the same time. The community should not be the sole basis for forming an economic organization, which should be allowed to be set up in other forms.

Allowing diversification of collective economic organizations is the requirement for economic development of different localities with different conditions. It should be made our long-term policy. China's rural areas have long

been practicing product economy while the development of the planned commodity economy has been around for only 10 years. Many problems are still being explored. As such, we should not be prematurely eager to implement standardization and should not try to rely on just one particular model, label, or regulation in such a big country. Otherwise, the peasants' initiative and innovative drive may be stifled, and economic development potential may be constricted. These are important lessons drawn from the history of collectivization and the organization of cooperatives both inside and outside this country. Under the present situation, premature proposals for standardization and excessive emphasis on implementing a unitary cooperative economic organization could easily lead people into linking it to the past's highly centralized organization format; in practice, it could also easily lead to recurrence of past inappropriate actions, which might cause emotional turmoil among the peasants. Even when the commodity economy is better developed in the future, diversification must still be upheld and reliance on one single model must be avoided.

3. Problems Pertaining to Further Development of Village and township Enterprises

The historic effect of village and township enterprises on China's rural economy and the entire national economy is self-evident, and no other forces could ever replace the role of such enterprises. Without more substantial development of village and township enterprises, the goals of transferring an excess agricultural labor force and creating a comfortable standard of living for the peasants will not be realized. The target of industrializing the nation and upgrading the overall quality of the national economy would also suffer. We must all attach importance to village and township enterprises and enthusiastically assist village and township enterprises. Village and township enterprises must be given a more prominent position in the 1990's than in the 1980's. They are to be treated as an indispensable major component of the national economy to ensure the realization of the second step strategic objective by the end of the century.

The development of village and township enterprises must be based on the state's industrial policy, support and guidance must be enhanced, and efforts should be made to continue the simultaneous implementation of measures in all fields, to lead them onto the path of healthy development. Measures must be tailored to suit local conditions and specific guidance should be given. In areas with a considerably good foundation, we must positively help existing village and township enterprises speed technological transformation, strengthen scientific management, continuously upgrade product quality and economic efficiency, and actively develop an export-oriented economy. We must promote the appropriate centralized location of village and township enterprises to reduce basic infrastructure investment, such as trunk road construction and environmental pollution, by speeding up the construction of small industrial zones and at the same time striving to expedite the process of

rural industrialization and urbanization on the same basis. The economically developed eastern region and rural counties under large cities should make more significant progress in this regard during the 1990's. More support must be rendered to the central and the western regions to help them maintain a certain rate of growth; transform their village and township enterprises' backward situation of a weak foundation and slow growth rate; and selectively develop resource-based, resource processing-based village and township enterprises, especially those involved in agricultural sidelines product development and processing to gradually narrow the gap between these regions and economically developed regions.

An increasingly important question facing us in the future is how to treat and handle the relationship between state-owned enterprises and village and township enterprises. According to the requirement set by the 10-Year Program for National Economic and Social Development on the speed of development of village and township enterprises, the total output value of village and township enterprises should account for more than 35 percent of the total product of society [she hui zong chan zhi 4357 2585 4920 3934 0237] by the year 2000. The total industrial output value of village and township enterprises should exceed 40 percent of the total industrial output value of the entire country in the same year. This will have a profound impact on our country's national economic and social development. Concerning this question, we should correctly understand the following things: 1) More than 60 percent of the output value and fixed assets of village and township enterprises belong to collectives at township and village levels, and therefore the system containing diverse economic sectors with public ownership as the main body will not be changed. 2) State-owned enterprises still control the main lifelines of the national economy, retain the leading position in the development of science and technology, and firmly maintain the guiding position in the course of national industrialization. 3) The state can, by arranging the rational division of labor, and promoting cooperation and coordination between urban and rural industries, indirectly put village and township enterprises onto the track of planned guidance. 4) The state can guide, adjust, and control economic activities of village and township enterprises, which are mainly under market adjustment, through industrial policy, management of various trades, credit operations, the legal system, and other means. 5) The development of village and township enterprises is conducive to promoting the improvement of operations of state-owned enterprises and increasing their competitive power in the market, thereby raising the overall level of development of our country's planned market economy. In short, we should fully understand the influence of the increasing proportion of village and township enterprises and, moreover, pay attention to adroitly guiding economic activities according to circumstances and gradually promoting a harmonious relationship between state-owned enterprises and village and township enterprises. In fact, many village and township

enterprises are playing a supplementary role in supporting large and medium-sized state enterprises, and, in turn, "both will prosper or decline together." While invigorating large and medium-sized enterprises, we should also promote the coordinated development of village and township enterprises and must not inhibit or strangle village and township enterprises.

4. Concerning the Question of Developing High-Yield and Efficient Agriculture and Increasing Peasants' Income

The agricultural population accounts for more than 80 percent of the total population of our country. Whether or not we can achieve a relatively quick increase in peasants' income has direct bearing on the realization of the goal in which the entire population leads a fairly comfortable life. It also affects the expansion of the industrial market and the development of industrial production, as well as the consolidation of the alliance between industry and agriculture. We should pay close attention to the problem that in recent years peasants have increased their output but they have not increased their income. We should adopt effective measures to actually resolve this problem and strive to ensure that, within even a relatively long future period, that the pace of increasing rural people's income will be appropriately greater than the pace of increases in urban income, and that the gap between rural and urban income will be gradually reduced.

Since the beginning of the policy of reform and opening up to the outside world, the income of peasants in our country has increased greatly. Nevertheless, the pace of the increase slowed down after 1985. In the two-year period between 1989 and 1990, the net income of peasants only increased by 0.2 percent. Since the beginning of this year, market grain prices have continued to fall and some localities have been hit by natural disasters. It is estimated that the peasants throughout the country will not see a significant increase in their net income this year. In recent years, while the distribution of national income to individuals has increased, peasants have not gained many benefits. Moreover, the gap between rural and urban income has expanded from a ratio of 1:1.8 in 1984 to 1:2.22 in 1990, returning to the level registered in the early 1980's.

A slower growth rate in the income of peasants will directly lead to a decline in rural markets. In 1984, rural areas accounted for 59.2 percent of the national retail sales of commodities. In 1990, the figure decreased by 4 percent to 55.2 percent. It also led to a drop in peasants' productive accumulation, which in turn affected the sustained development and longevity of agricultural growth.

Although raising purchasing prices for agricultural products plays a role in increasing peasants' income and is an important aspect of our efforts, it is not the primary means by which the problem should be solved. As prices

of agricultural products gradually become market-oriented, the state's ability to increase peasants' income by raising prices declines. Also, we cannot solve the problem by fundamentally controlling the prices of agricultural means of production.

The fundamental way to resolve this problem is to follow the road of producing high-yield, fine-quality products with great efficiency. In other words, while continuing to increase agricultural production, we should enhance in a planned manner the quality of agricultural production through the promotion of advanced scientific and technological progress so as to increase the economic results of agriculture. Agricultural products of average quality are hard to sell in the market, while agricultural products of fine quality are undersupplied. Therefore, developing fine-quality products will meet the needs of urban and rural residents who are in a transition period from having enough food and clothing to becoming well-off. It can increase peasants' income and alleviate their difficulty in selling their products. Meanwhile, it is necessary to change the traditional farming system by meeting market demands and by transforming agricultural products into other commodity forms. We should develop animal husbandry, fishing, and poultry-farming and, with that as a basis, develop our processing industry. In agriculture, we should pay attention to high yield and high efficiency. We should strive to increase our production and income by enhancing the added values of processing products, which have their sources from the products of animal husbandry, fishing, and poultry-farming, which in turn rely on crop harvests. The way to increase peasants' income lies in opening up new opportunities for employment. In addition to trying our best to enlarge the labor force capacity inside agriculture itself by developing and utilizing new natural resources, by promoting suitable large-scale operation of animal husbandry, fishing, and poultry-farming, by increasing the scale and economic results of agricultural production, by developing a gardening economy in rural areas, and by concentrating the management of labor and technology as mentioned above in a bid to further promote agricultural production, an even more important thing is to maintain the suitable development of township enterprises and increase their employment capacity and income. Meanwhile, we should encourage peasants to enter into tertiary industries to develop such trades as purchasing and selling commodities, services, and transportation.

5. Problems Concerning the Implementation of an Overall Plan for Integrating the Development of Agriculture With That of Science, Technology, and Education

The principle of promoting agriculture by relying on science, technology, and education is an important one in guiding our agricultural development to a higher level. Faced with the severe situation of ever growing population, relatively insufficient natural resources, and increasing demands, China must rely on scientific and

technological progress and improve the quality of labor force to upgrade and modernize its agriculture.

Based on our experiences gained from various localities, an effective way to achieve the goal of promoting agriculture by relying on science and education is to pay attention to the integration of agricultural, scientific, and educational development. To carry out the policy of upgrading agriculture, we should deepen the overall and supplementary reforms of economic, scientific, technological, and educational systems by integrating the development of agriculture with that of science, technology, and education and by establishing a new mechanism favorable to the promotion of science and technology, the development of education, and the invigoration of agriculture in rural areas. This new system has an important place in the overall plan for integrating the development of agriculture with that of science, technology, and education. By carrying out this plan, agricultural, scientific, technological, and educational departments can play an even more effective role in invigorating agriculture. The plan will help us form a united force and achieve maximum overall results by developing our strong points, avoiding our weaknesses, and supplementing each other with our advantages.

The overall planning for the integration of agricultural, scientific, and educational development has two kinds of meaning: 1) It means an organic integration among agricultural, scientific, technological, educational departments concerned. 2) It also means that governments at all levels should strengthen their unifying coordination for the work of agricultural, scientific, technological, and educational departments concerned. Pushing forward the integration of agricultural, scientific, technological, and educational development is a goal for carrying out the overall planning made by the governments. Strengthening unifying planning of the governments is a key to promoting the integration of agricultural, scientific, and educational development. Not a single one of these two conditions can be dispensed with.

In carrying out the overall planning for the integration of agricultural, scientific, and educational development, we should center our efforts around the work of invigorating agriculture. To do a good job in this task, 1) we should pay attention to problems urgently needed to be solved in agricultural development and make a unifying plan for reform and development in the areas of agriculture, science, technology, and education; 2) while actively promoting the nine-year compulsory education system, we should take effective measures to vigorously develop professional and technical training in rural areas and to extensively conduct practical technical training in various forms; we should continue to promote the scientific and cultural quality of peasants, particularly intellectual youths living in rural areas to develop a scientific and technological backbone force in rural areas; 3) we should improve and develop networks for promoting science

and technology at county, township, and village levels; the networks should be characteristic of an integration of agricultural, scientific, and educational development; we should enlarge scientific and technological service teams characteristic of an integration of specialists with general professionals as well as an integration of specialists with the masses of the people; we should continue to promote the work of transforming scientific and technological results into practical applications and productive forces; and 4) we should greatly promote the sense of science, technology, and education among cadres at all levels, establish an idea of viewing as a whole the work of making a unified plan for agriculture, science, and education, and strengthen the ability of governments in making decisions in a scientific manner and in controlling the macroeconomy.

Rural Enterprise Output Value Increase Expected

OW1812111691 Beijing XINHUA in English
0900 GMT 18 Dec 91

[Text] Beijing, December 18 (XINHUA)—China's township enterprises are expected to produce 1,100 billion yuan in output value despite severe floods which ravaged most provinces this summer, an official from the Ministry of Agriculture said today.

This represents an increase of 18 percent over last year, said Zhang Yi, deputy director of the Township Enterprises Department of the ministry.

China plans to push the output value of township enterprises to 1,400 billion yuan by 1995, by increases of 11 percent annually.

This summer, however, severe floods hit eastern China, which produces more than half of the total output value of township enterprises. Over 70,000 enterprises were seriously affected and 10,000 of them had to suspend production. The country's township enterprises suffered a decrease of at least 90 billion yuan in output value in July alone, according to the Ministry of Agriculture.

Soon after the floods receded, the enterprises started to resume production. So far, all of them have resumed production completely or partially.

Besides, these enterprises have mobilized a large number of people and contributed considerable sums of money to help local peasants rebuild their homes.

Their industrious efforts have paid off. The increase rate of total output value this year is seven percent over the planned annual increase rate during the period of the Eighth Five-Year Plan (1991-1995), while foreign trade earnings have grown six percent more than expected.

At present, many township enterprises, benefiting from their flexibility, are trying to realize their transformation to technology-intensive trades from labor-intensive trades.

Central-South Region

Xie Fei Relays 'Spirit' of Eighth Party Plenum

HK1612152291 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 15 Dec 91

[Text] The sixth provincial party committee held its sixth plenary session in Guangzhou 11-14 December to relay and implement the spirit of the Eighth Plenary Session of the 13th CPC Central Committee, and to discuss ways to strengthen the province's agriculture and rural work.

Xie Fei, provincial party committee secretary, at the request of the provincial party committee Standing Committee, made an important speech at the meeting.

The plenary session passed, after deliberation, the provincial party committee's decision on several matters regarding strengthening agriculture and the work in rural areas, and set forth the objective for local agricultural development in the 1990's.

The plenary session stressed the need to deepen rural reforms, build up a socialized service system, rely on scientific and technological achievements to raise agricultural production, vitalize the circulation of farm produce, help the mountain areas shake off poverty, increase the strength of the collective economy, promote ideological and cultural progress, and organizationally strengthen grass-roots units to push forward the province's agriculture and rural work.

The provincial party committee's decision on several matters related to strengthening agriculture and work in rural areas contains 10 parts:

1. The objective of the province's rural development in the 1990's;
2. Stabilizing and perfecting the dual management system characterized by unity and separation;
3. Establish a specialized and socialized service system;
4. Increase the strength of the collective economy;
5. Develop an export-led rural economy;
6. Reform the buying-selling system, straighten out prices, and revitalize circulation;
7. Discuss the problems cropping up from development;
8. Promote ideological and cultural progress in rural areas;
9. Strengthen the building of grass-roots organizations; and
10. Strengthen and improve the party's leadership over rural work.

The plenary session called on party organizations at all levels and party members across the province to conscientiously study and implement the spirit of the Eighth Plenary Session of the 13th CPC Central Committee and mobilize and lead the broad masses of cadres and people to work hard in unity to enable the province's agriculture and rural work to scale a new high, greeting the 14th CPC National Congress with actual action.

Christmas Reportedly Celebrated Despite Ban

HK1912031591 Hong Kong AFP in English 0239 GMT 19 Dec 91

[Text] Guangzhou, China, Dec 19 (AFP)—China's prosperous southern Guangdong Province is preparing for a festive Christmas, despite a government order that celebrations should not spread outside the confines of local churches.

An official in the provincial capital Guangzhou confirmed newspaper reports in nearby Hong Kong that the Guangdong government had ordered local officials to check the spread of this increasingly popular Western religious festival from churches to society.

"People are required to keep their Christmas celebrations in the church and not to hold them outside, like in hotels or restaurants," the official said. "Hotels, restaurants or other businesses cannot organize any activities to make a profit or try to attract customers using Christmas."

However, the anti-Christmas order is not getting through. Businesses in China's most freewheeling city are openly making every effort to cash in on the growing Christmas spirit. Hotels and restaurants are decking themselves out in Christmas finery, selling Christmas cakes and competing to take bookings to attract customers for seasonal dinners, at which they expect locals and visitors from Hong Kong.

The five-star White Swan boasts a vast fairy-light Santa Claus topped by a red flashing "Merry Christmas" stretching the hotel's length. Inside it is decked in huge gold Christmas trees, streaming lights and model Christmas scenes. Assistant manager Jackie Yu said the hotel had not heard of the provincial regulation, but sources in Hong Kong said the White Swan knew about the order as did other hotels using Christmas to attract customers.

Even Guangzhou's official Protestant church is paying little attention. It plans a week of Christmas parties outside church premises and is selling presents and cards, another practice the reported five-point regulation seeks to discourage.

Shop assistants say locals are buying more Christmas items than ever—artificial trees and decorations, gift hampers and oversized Father Christmases. One Guangzhou businessman said sales of furry Santa Claus

pouches, which his toy company produces specially, were soaring, despite the regulation.

"Guangzhou is getting particularly used to celebrating Christmas, because of its closeness to Hong Kong," he said. "Young people in particular like to give each other small Christmas presents and cards, and to go out to a restaurant for a special dinner with their friends."

"Most don't think of it as religious. They just know it's a Western festival—an excuse for a party," he said.

The Guangzhou spokesman insists "the regulation is being enforced. No celebrations will be able to be held in hotels or restaurants." But officials appear either powerless to or uninterested in imposing the order and preventing Christmas from becoming a social and commercial occasion.

"Of course individuals won't obey these rules," said a Guangzhou Christian. "Hotels want to get on the bandwagon to get business. They can't miss the festival or they'll lose lots of money. And whether they exercise the rule is really the personal choice of officials." However, locals do believe the order's publication reflects a real fear of the spread of religion, even through commercial means in liberal Guangzhou.

"The Guangzhou government doesn't mind the Western commercial influence itself—the province is completely open in that way," the resident said. "But they fear religion more than any 'spiritual pollution.' If many people have strong religious faith and oppose Beijing, they will be a powerful force."

The authorities in Guangzhou and elsewhere in China, which officially permits freedom of religion, have reportedly been stepping up pressure on underground churches refusing to recognise Beijing as the supreme religious authority.

Pastor Samuel Lamb, head of Guangdong's biggest illegal "house church," said in recent months officials had started visiting and threatening almost every member of his 1,000-strong congregation. "They're afraid of Russia. They're afraid of things turning upside down," he said, referring to the Chinese Government's increased anxiety about "social turmoil" since the collapse of the Soviet Union.

"So open Guangzhou is showing the centre (Beijing) it is trying to counter religion's influence just by issuing the document," the Christian resident said. "It won't actually matter whether they enforce it."

Commentator on Guangdong Agricultural, Rural Work
HK1812142491 Guangzhou NANFANG RIBAO
in Chinese 15 Dec 91 p 1

[Commentator's article: "Make Efforts To Push Agricultural and Rural Work Onto New Stage"]

[Text] The Sixth Plenary Session of the Sixth Guangdong CPC Committee has successfully concluded. The plenary session relayed and studied the spirit of the eighth plenary session of the 13th Central Committee, held in-depth discussions on strengthening agricultural and rural work in light of our provincial conditions, and deliberated and adopted "The Guangdong CPC Committee Decision on Certain Questions Concerning Strengthening Agricultural and Rural Work." The plenary session is bound to give a powerful impetus to mobilizing all party members and broad masses of cadres across our province to comprehensively implement the Central Committee decision and work hard to push our provincial agricultural and rural work onto a new stage.

"The CPC Central Committee Decision on Further Strengthening Agricultural and Rural Work," adopted by the eighth plenary session, has comprehensively summed up our country's agricultural and rural work achievements in the 1980's, forwarded key tasks for the 1990's, and clearly defined a series of party principles and policies toward rural areas. It is a programmatic document guiding us in our endeavor to successfully carry out agricultural and rural work and build new socialist rural areas with salient Chinese characteristics for a long time to come. Given our province's concrete realities, to push agricultural and rural work onto a new stage in the 1990's, we must speed up agricultural modernization, commercialization, and socialization. Our agricultural production must be oriented to better economic results, high standards, high yields, high quality, and high efficiency. We must enable peasants to live a comparatively well-off life and further push ahead with socialist spiritual civilization building in rural areas.

In order to attain this grand goal, it is necessary to stabilize the party's basic rural policies and fully mobilize both the enthusiasm and the creativity of the broad masses of peasants. Since the third plenary session of the 11th Central Committee, the party has summed up the great pioneering work of the broad masses of peasants and formulated a series of principles and policies, such as the contract responsibility system on a household basis with remuneration linked to output and other responsibility systems, with the result that some earthshaking changes have taken place in rural areas. Practice has borne out that the two-tier operational structure combining centralization and decentralization on the basis of contracted household operation can absorb different degrees of productive forces and demonstrate extensive adaptability and strong vitality. This is indeed a basic rural collective economic system which must be maintained for a long time. Only by stabilizing policies will we be able to stabilize popular feelings among people and stabilize rural areas. We must clearly understand that contracted household operation constitutes one of the tiers of collective economic operation as well as one of the components of collective economy. In order to stabilize and develop the household-operation tier, we

must establish a socialized service system with an eye on integrating small-scale production scattered among tens of thousands of households with professionalized and socialized large-scale production. Unified operation is not intended to deprive peasants of their decisionmaking power in production and operation but intended to provide various types of essential pre-production, in-production, and post-production services to peasants to enable them to better develop production. This is the only way for us to promote agricultural commercialization, socialization, and modernization.

Agricultural modernization and large-scale agricultural economic development will ultimately be determined by both scientific and technological progress and extensive application of applicable technologies. With its big population and limited arable land, our province should concentrate on land exploitation. To exploit large parcels of mountainous land, beaches, and water areas, we should undoubtedly rely on advanced technologies. The application of advanced agriculture-oriented science and technology will not only effectively offset our limited agricultural resources but also raise our material input efficiency. Our province has great potential and broad prospects in this regard. In order to realize the strategy of promoting agricultural development through science and technology, we must make education universal and improve the quality of laborers. The key to ensuring high yields, high quality, and high efficiency for our provincial agricultural production lies in science and technology, where education is the basis. We must constantly bear in mind this point and take practical as well as effective measures to raise scientific, technological, and cultural standards in society.

Our province has a relatively developed commodity economy and enjoys a relatively high commodity rate for farm products. However, development remains unbalanced from area to area. In order to push our provincial agricultural production onto a new stage, we must make continued efforts to invigorate circulation of farm products; develop trade fairs, specialized markets, and comprehensive markets in a planned way; and gradually establish and consolidate a flexible market system. By developing market-oriented agricultural production, we will, on the one hand, be able to link the scattered operation undertaken by the peasants with the big social market with a view to invigorating commodity circulation, dispelling our long-standing worries, such as "difficult purchasing" and "difficult marketing," and arouse the enthusiasm of the producers; on the other hand, we will be able to use market information feedback to guide and promote production. We must bring into full play our distinctive superiority of being adjacent to Hong Kong and Macao to reflect the international market demand for farm products and guide the peasants to improve crop strains, update technologies, open up more international markets, and raise both efficiency and standards for agricultural production.

To push our provincial agricultural and rural work onto a new stage, we must make earnest efforts to strengthen

and improve party leadership over agricultural and rural work. Leading cadres at all levels must firmly bear in mind that agriculture is the basis and must make endeavors to mobilize all trades and professions to support agricultural development and rural construction. We must actively step up ideological and cultural construction in rural areas, carry out in-depth socialist ideological education, and further push ahead with both "hardware" and "software" development in promoting spiritual civilization building in rural areas. Moreover, we must practically strengthen grass-roots organization building in rural areas. Many a rural task will, in the final analysis, be fulfilled by various grass-roots organizations in rural areas. Establishing sound, authoritative, and effective grass-roots party and government organizations is crucial to normal and healthy social and economic development in rural areas.

Shaking off poverty and realizing a comparatively well-off life has been the long-cherished wish of several generations of laboring people in our country. To translate this good wish into a reality is indeed a task entrusted to our generation by history. Under the guidance of the spirit of the eighth plenary session of the 13th Central Committee, we must, with a sense of sacred mission and a strong sense of responsibility, firmly and unswervingly push forward all types of work, work hard to push our provincial agricultural and rural work onto a new stage, and strive to build new socialist rural areas with salient Chinese characteristics!

Guangdong Foreign Trade Sees 'Sustained' Growth

HK1712053591 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 14 Dec 91

[Text] This year, our provincial foreign economic relations and trade have maintained sustained and steady growth, scaling new heights in terms of both growth rates and efficiency.

By the end of October, our total provincial import and export volume had reached \$16.3 billion, representing a 35 percent increase over the corresponding period last year, and our province approved a total of 6,800 contracts for using foreign funds and made use of foreign funds totalling \$1.89 billion, representing a 15.3 percent increase and a 27.9 percent increase respectively over the corresponding period last year.

The sustained and steady growth of our provincial foreign economic relations and trade should be mainly attributed to the implementation of various unified policies and competition on an equal footing, various units assuming responsibilities for their own profits and losses, and the establishment of various new systems and new structures all of which greatly mobilized the enthusiasm of all foreign trade enterprises. Thanks to the reform and opening up over the past 10 years or so, our province has formed a relatively harmonious economic environment, steadily improved the investment environment and has thereby become more attractive to foreign investment. This year, our province has witnessed stable

commodity prices and large-scale growth in both industrial and agricultural production, especially in industrial production, thus securing a relatively sufficient source of export trade.

Liu Jianfeng Meets Consul General to Los Angeles

HK1712055491 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 15 Dec 91

[Text] Provincial Governor Liu Jianfeng and Vice Governor Wang Xueping met with Tang Guoqiang, Chinese consul general to Los Angeles in the United States, in Huaqiao Hotel yesterday evening [15 December].

Tang Guoqiang and his entourage arrived in Hainan on 10 December on a fact-finding visit. Over the past few days, Tang and his entourage have conducted investigations and studies in Haikou, Wenchang, Qionghai, Sanmin, and Sanya, where they obtained a clear idea about our provincial situation of reform and opening up. After returning to the United States, Tang and his entourage will introduce the Hainan situation to Overseas Chinese business circles there.

Provincial Governor Liu Jianfeng and Vice Governor Wang Xueping expressed heart-felt thanks to Tang Guoqiang and his entourage for their fact-finding visit, briefed them on Hainan's reform and opening up policies, and hoped that they will do their best to publicize Hainan after returning to the United States.

(Liang Gan), provincial Overseas Chinese Affairs Office director, and (Su Huiguo), provincial Foreign Affairs Office deputy director, were also present on the occasion.

Southwest Region

Yang Rudai Marks Publication of New Book on Deng

HK1612115991 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 13 Dec 91

[Text] A forum was held in Chengdu yesterday [13 December] to mark the publication of a book entitled *The New Development of Mao Zedong Thought by Deng Xiaoping*. Comrade Deng Xiaoping is a great Marxist, proletarian revolutionary, theorist, and militarist, as well as an outstanding party and state leader. Since the third plenary session of the 11th Central Committee, Comrade Deng Xiaoping has made momentous contributions to a series of important decisions and to opening up new vistas for our country's socialist construction, reform, and opening up with his Marxist theoretical courage, his spirit of seeking truth, his rich experiences, and his foresight and sagacity.

The book, *The New Development of Mao Zedong Thought by Deng Xiaoping*, compiled by the Sichuan provincial research group on Deng Xiaoping ideology, and published by the Chengdu Publishing House, more systematically expounds the new development of Mao

Zedong Thought wrought by Deng Xiaoping from a new angle, with a wider field of vision, and with detailed and factual materials.

All the forum participants held: Comrade Deng Xiaoping has inherited and developed Mao Zedong Thought and raised Mao Zedong Thought onto a new stage. Thus learning and studying Comrade Deng Xiaoping's ideology is an important component of learning and studying Mao Zedong Thought and is indispensable to stepping up party building and improving the political quality of party members, cadres, and the broad masses of people. Comrade Deng Xiaoping's ideology is an important guiding ideology for our endeavor to build socialism with salient Chinese characteristics.

Yang Rudai, provincial party committee secretary; Deputy Secretaries Li Boyong and Nie Ronggui; and some other leading comrades attended and delivered speeches at the forum. More than 70 experts and scholars from our province's party-history and theoretical circles attended.

Calls for Austerity at Plenum

OW1612145591 Beijing XINHUA Domestic Service
in Chinese 0404 GMT 16 Dec 91

[Text] Chengdu, 16 Dec (XINHUA)—Yang Rudai, member of the Political Bureau of the CPC Central Committee and secretary of the Sichuan Provincial CPC Committee, pointed out recently at the Ninth Plenary Session of the Fifth Sichuan CPC Committee: At present there are too many formalistic activities, especially during the new year holiday and other festival days. During the 1992 new year holiday and Spring Festival we should adopt new practices; abolish formalistic activities; and ban expensive eating and drinking, as well as extravagance and waste.

Soon after the meeting, the General Office of the Sichuan provincial party committee and the provincial government issued a circular calling on all localities to practice frugality in spending the new year holiday and Spring Festival. The circular points out that during the festival days, party and government organizations at all levels should arrange activities of greetings and appreciation in a unified way; strictly control commendation meetings, get-togethers, and discussion meetings of various forms; and ban banquets of any forms. The circular emphasizes: During festival days and business contacts, cadres at all levels and party members are prohibited to spend public funds on dinner parties, gifts, or "new year calls." They are also not permitted to practice fraud in issuing bonuses, in cash or in kind, under concocted pretexts. If any organizations or individuals violate the ban, the direct responsible persons shall be sternly dealt with, and the leaders of the organizations shall also be held responsible. Moreover, the violators shall be required to return any ill-gotten gains.

Agro-Tech Services 'Taking Shape' in Sichuan*OW1712030891 Beijing XINHUA in English
0209 GMT 17 Dec 91*

[Text] Beijing, December 17 (XINHUA)—An agro-tech service network has been taking shape in Sichuan, China's most populous province, providing agro-tech service to almost every corner of its vast rural land.

According to today's OVERSEAS EDITION PEOPLE'S DAILY [RENMIN RIBAO OVERSEAS EDITION], 81 percent of the rural townships and 70 percent of the counties have established agro-tech service stations or centers, which employ 52,000 technicians. In addition, 60 percent of the rural villages have been staffed with agro-tech personnel.

The availability of the service has remarkably promoted the use of new technologies and new products and generated high economic and social returns, the daily said.

For example, Sichuan grew 2.84 million hectares of hybrid rice this year, as against 480,000 hectares ten years ago. The planting of hybrid maize, which was nonexistent before, was 1.51 million hectares this year. The two new varieties make up about 90 percent of the plants grown.

North Region**Xing Chongzhi Addresses S&T Association Congress***SK1312135091 Shijiazhuang HEBEI RIBAO
in Chinese 14 Oct 91 pp 1, 3*

[Speech given by Xing Chongzhi, secretary of the provincial party committee, at the fourth congress of the provincial Science and Technology Association on 13 October]

[Text] Fellow delegates and comrades:

The fourth congress of the Hebei Science and Technology Association ceremoniously opened today. This is a grand meeting for our province's scientific and technological figures to summarize the past and create the future. Let me extend warm congratulations to the congress on behalf of the Hebei provincial party committee and the Hebei provincial people's government, and to all delegates present at the congress, and through them, to extend cordial regards and lofty respect to the broad masses of scientific and technical workers on all fronts across the province who have contributed to the development of Hebei's economic, scientific, and technological undertakings.

During the past five years, since the convocation of the third congress of the provincial Science and Technology Association, under the leadership of party committees and governments at all levels, our province's scientific and technological organizations at all levels and the broad masses of scientific and technical workers have conscientiously implemented the party's basic line of

"one focus and two basic points." They have upheld the principle that "economic construction must rely on science and technology, and that scientific and technological work must serve economic construction," and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend." They have inherited and promoted the fine traditions of the scientific and technical workers of the older generation; worked painstakingly in the main battlefield of economic construction; dedicated themselves selflessly to publicizing, disseminating, and exchanging science and technology; made new and outstanding achievements; and made outstanding contributions to our province's economic and social development. During the 1980's, our province realized the first 100 percent increase two years ahead of schedule and achieved major progress in construction and reforms. All these achievements were the embodiment of the painstaking efforts and sweat of the Science and Technology Association at all levels and the broad masses of scientific and technical workers. Practice fully proved that our province's scientific and technological associations at all levels and the broad masses of scientific and technical workers are full of fighting strength. They are a backbone force which we can absolutely trust and rely on in our province's economic and social development.

In a speech given at the Fourth National Congress of the Chinese Science and Technology Association, Comrade Jiang Zemin pointed out: "Persisting in considering science and technology the primary productive forces and realistically shifting economic construction to the path of relying on scientific and technological progress and raising the quality of laborers are an extensive and profound change." He called on the whole party and the people of the whole country to enhance their sense of urgency and crises and to consciously realize this change. This is a major strategic policy decision that the Central Committee has formulated after profoundly analyzing the international situation and domestic tasks facing us. Conscientiously implementing the Central Committee's policy decision and enabling our country's economic construction to realistically enter the path of relying on scientific and technological progress, and raising the quality of laborers, are of great and profound significance in comprehensively implementing Comrade Xiaoping's guiding ideology that science and technology are the primary productive forces, in seizing opportunities, and in greeting the challenge of the world's new technological revolution. This will further deepen the shifting of work priorities defined at the third plenary session of the 11th Central Committee and push this shift to a higher level; comprehensively promote socialist modernization construction, successfully realizing the second-step strategic objectives and laying a solid foundation for realizing the third-step strategic objectives; strengthen our country's competitiveness, consolidating and developing our socialist system, and effectively opposing and preventing peaceful evolution; and enable us to better uphold and develop Marxism in the practice

of speedily developing science and technology. Therefore, this is not only a serious economic task facing us but is also an urgent and major political task.

After more than 10 years of efforts in reform and opening up, Hebei has achieved great development in scientific and technological undertakings and has changed, to a certain extent, the past practice of extensive economic development chiefly through large amounts of personnel, financial, and material investment, which lasted for a long time. However, problems have yet to be fundamentally solved. At present, merely 27 percent of Hebei's economic development is attributed to scientific and technological advances, not only much lower than the level of economically developed countries but also lower than the national average of 30 percent. This is an important factor restricting our economic development. With a stronger sense of urgency and crisis, we should shift the province's economic development more quickly to the track of relying on scientific and technological advances and improving the quality of laborers, increase the scientific and technological content of economic development to the maximum, and fundamentally enhance the motivation and reserve strength for economic development to make our economic and social development rank among the advanced in the country and to better fulfill the historical responsibility for socialist modernization and the struggle against peaceful evolution. For this purpose, in the 1990's, we should continue to implement conscientiously the development strategy of "developing Hebei through science and technology" and achieve substantial progress in the following aspects of the province's scientific and technological work in line with the requirements of the Central Committee: 1) Serving the major fields of economic construction, we should achieve greater progress in using modern science and technology to technically transform traditional industries. 2) We should achieve significant breakthroughs in developing high technology and industrializing it. 3) We should achieve substantial results in the several major fields concerning the adjustments of the relationship between human beings and nature. 4) We should achieve marked progress in basic research. Despite the many difficulties, we should meet the aforementioned four demands. People throughout the province should reach a common understanding, work hard, and continuously promote Hebei's work for developing science and technology in a down-to-earth manner. Science and technology associations and scientific and technical workers shoulder particularly important responsibility for developing Hebei's science and technology. Therefore, the provincial party committee and government ardently urge them to meet the following demands when performing their work in the future.

First, they should be enthusiastic in publicizing "science and technology as the primary productive forces." "Science and technology are productive forces. They are the primary productive forces." This is a scientific theory put forward by Comrade Xiaoping after observing and

summarizing the economic development trends and the new experiences of the world during this century. It enriched and developed the Marxist theories on science and technology and productive forces, exposed the first role of science and technology in changing the contemporary development of productive forces and social development, and clarified the guiding principles for China's socialist modernization. To truly shift economic construction to the track of relying on scientific and technological advances and improving the quality of laborers, we should first arm the minds of cadres and ordinary people with this Marxist guiding thought of Comrade Xiaoping's. Comrades of science and technology associations at all levels and the vast number of scientific and technical workers are on the forefront of scientific and technological work. They should strive to study and understand Comrade Xiaoping's theory more thoroughly and, based on their personal experiences, conduct propaganda and education among cadres and ordinary people more actively and enthusiastically. Through propaganda and education, we should make the people fully understand the situation of the country, the province, and the localities; the rich connotation and the great significance of Comrade Xiaoping's scientific thesis; the decisive role of science and technology in modernizing industry, agriculture, and national defense; and that science and technology are the key to making the country wealthy and that if we do not vigorously develop science and technology, we will be unable to realistically persist in the principle of considering economic construction as a key link, to effectively promote the progress of reform and opening work, to smoothly fulfill the second-step strategic objective, to consolidate and develop the socialist system, or to realize the great cause of revitalizing the Chinese nation. We should help the vast number of cadres and people save themselves from the old traditional ideas of acting accordingly without science and of doing farm work in the same way without science. We should help them foster a strong sense of science and technology, consciously handle affairs according to the law of science; consciously guide work and production with science and technology; and positively and actively engage themselves in the practice of vitalizing agriculture, industry, and all undertakings with science and technology.

Second, we should vigorously promote the coordination of science and technology with the economy. Relying on the guiding role of science and technology to promote vigorously the coordination of science and technology with the economy is the key to implementing the principle that "we must rely on science and technology to develop economic construction and that the scientific and technological work must cater to economic construction." Our current work in this regard is still weak. To promote scientific and technological progress, scientific and technological associations at various levels and the vast number of scientific professionals and technicians should exert efforts to promote the coordination of science and technology with the economy. We should fully display our intellectual advantages, positively

engage ourselves in reforming the scientific and technological system, and suggest ways and means for setting up and perfecting a new vitalized mechanism conducive to scientific and technological progress and economic and social development. In a sense, the economic competition in the world is the competition in the capability and speed of popularizing and applying scientific and technological findings. Therefore, the popularization of scientific and technological findings must be regarded as a key link to liberating to the maximum the first scientific and technological productive forces as well as the primary task for promoting economic construction. So, we should exert great efforts to make achievements in this regard. In popularizing scientific and technological findings, we should foster the sense of time and the sense of value, strengthen awareness of the popularization, and do our best to hasten the transformation of scientific and technological findings into productive forces. We should frequently go deep to the forefront of industrial and agricultural production; select and determine development projects in line with the demands of economic and production development; launch activities in terms of technological development, technological consultation, technological contract, and technological service; solidly carry out the projects for popularizing the "Spark," "Harvesting," "Prairie," and "Popularization" Plans; and send increasingly more theses of scientific and technological findings to localities, plants, and the main battlefield of economic construction. Only by so doing will we realistically make contributions to deepening and shifting the focal point of the economic work.

Third, we should wage an arduous struggle and bravely blaze new trails. Today, science and technology become more universalized. It will be impossible for a country to develop science and technology and the economy in a self-enclosed situation. We must unswervingly persist in the principle of reform and opening the country to the outside world, widely learn from others' strong points, and positively expand foreign exchange and cooperative ties.

However, we should be sober to note that owing to the fierce competition, exchanges, and blockades, as well as cooperation and control, have been mingled together. The purpose of our opening policy and importing is aimed at more than introducing modern production capabilities. What is most important is that we import in order to upgrade our scientific and technological levels and the capabilities of our research and development and to boost the comprehensive strength of our country. Therefore, we should not only advance the opening policy more boldly and introduce as many foreign advanced scientific and technological results as possible but also especially base scientific and technological progress on the foundation of self reliance and arduous struggle. A good job should be done in assimilating the imported technologies and in creating something new by making utmost efforts. At present, our province has many "technical difficulties" that need to be overcome urgently in both industry and agriculture and has many

items and questions that need to be studied urgently. Scientific associations and organizations at all levels should mobilize the broad masses of scientific and technological workers to continuously carry forward the spirit of working hard and tenaciously and bravely pioneering the road of advance; to bring their ability and wisdom into full play; and to boldly engage in exploration, practice, and creation. Efforts should be made to join actively in building high and new technology development zones, establishing high and new technological industries and trades, and opening high and new technological plants and centers. Efforts should be made to make contributions to developing high and new technologies and realizing industrialization. We should encourage scientific associations and organizations at all levels to actively join in overcoming the technical difficulties in key projects, to display the spirit of giving no thought to personal fame and interest and of voluntarily offering assistance in the course of their work, and to scale vigorously the "heights" of modern science and technology. Efforts should be made to implement earnestly the "double hundred" principle, to carry out extensive academic exchanges, and to promote continuously the prosperity and development of science and technology. Only by so doing can we continuously create new technologies and products with strong competitiveness, steadily broaden the markets both at home and abroad, and remain invincible forever.

Fourth, we should be activists in spreading the knowledge of science, technology, and culture. To emancipate the first productive forces, science and technology, to the maximum, we not only need a large number of scientific and technological workers of high quality but also should upgrade the scientific and technological quality of the Chinese nation as a whole. This requires us to make utmost efforts to grasp resolutely and successfully education and to do a good job in publicizing and popularizing the knowledge of science, technology, and culture. Scientific and technological associations and organizations at all levels and the broad mass of scientific and technological workers should assume the historically important task as they did before and unswervingly make efforts to develop education and to popularize the knowledge of science, technology, and culture. Based on summarizing the experience gained in their work over the past few years, they should develop more realistic forms and ways to enhance education and propaganda among the vast number of people on the scientific viewpoint, attitude, and method; to apply the modern scientific and technological knowledge and viewpoint to eliminating the backward ideology of ignorance and superstition; to widen the people's field of vision; and to have the people renew their ideology and concept. They should also continuously and successfully hold jointly with relevant departments and communities practical technical training classes for peasants and particularly for rural middle school students and retired military personnel and on-the-job training classes for workers. Meanwhile, efforts should be made to achieve better results from the classes so as to enable increasingly more

people to grasp the necessary scientific and technological knowledge and to upgrade labor productivity. We should pay attention to making education on ideals and morality reside in spreading modern scientific and technological knowledge; coordinate the education with the work of inspiring national enthusiasm and education on patriotism, socialism, and collectivism; comprehensively promote the development of socialist spiritual civilization; and strive to cultivate increasingly more new socialist people with lofty ideals, moral integrity, education, and a sense of discipline.

Fifth, we should strive to become patriots and revolutionaries with the aspiration of revitalizing the Chinese nation. This is the key to achieving the work in the aforementioned spheres. Scientific professionals and technicians should have not only rich scientific and technological knowledge but also good political understanding. Such good political understanding should be embodied in the spirit of ardently cherishing the party, the motherland, and socialism; the spirit of supporting the basic line of the party; the scientific spirit of "making sacrifices, blazing new trails, seeking truth, and conducting cooperation" to revitalize the Chinese nation; and the professional ethics of "persisting in truth, honestly doing work, cherishing merit and skilled people, and narrowing the ties of cooperation." We are pleased to see increasingly more comrades like this emerging from the vast number of scientific professionals and technicians across the province. This is fundamentally due to the fact that the vast number of scientific professionals and technicians across the province have made ceaseless contributions and because the ranks of scientific professionals and technicians have been full of vitality the past years. Now, the new situation and the new tasks are setting higher demands on us. The vast number of scientific professionals and technicians should be suitable for these demands. They should link theory with practice to further study Marxism-Leninism-Mao Zedong Thought, the basic theory of building socialism with Chinese characteristics, dialectical materialism, and historical materialism; continue to take the road of integrating with the masses of workers and peasants; strengthen the transformation of the subjective world in the course of transforming the objective world; further upgrade the concepts of serving the motherland, socialist construction, and the cause of the party; and better advance along with the road of becoming both socialist-minded and vocationally proficient. Only by so doing will we make greater contributions to the motherland, the people, and the revitalization of science, technology, and the economy in Hebei.

The key to really shifting the focus of economic construction into the realm of relying on scientific and technological progress and upgrading the quality of laborers hinges on party committees and governments at various levels realistically strengthening leadership over scientific and technological work. To hasten the pace of scientific and technological development, the provincial party committee and the provincial government specially convened a meeting not long ago to specifically

make arrangements for this work. Now, we should concentrate efforts on grasping the implementation of the arrangements. Party committees and governments at various levels and all departments concerned should study and implement the policies and measures for developing scientific and technological undertakings, as given by the provincial party committee and the provincial government. The provincial departments concerned should firmly attend to studying and solving the problems that should be handled by the province. All localities and units must not adopt a negative or wait-and-see attitude, but must positively and actively study and solve these problems.

Here, I want to particularly and emphatically mention increasing the investment in science and technology and bringing into play the role of scientific and technological personnel. In developing science and technology, it is imperative to increase investments. Such an investment is productive and beneficial and this concept on investments should be firmly fostered. Governments, enterprises, and banking departments should proceed from such a concept and increase as much as possible the investment in science and technology so as to ensure the normal development of scientific and technological undertakings. The current competition in science and technology substantially means contending for talented personnel. Those who have employed talented personnel possess science and technology, and will have a good future. We must approach this issue from this angle and pay great attention to relying on talented personnel, training talented personnel, refraining from rigidly adhering to formalities in employing personnel, and fully tapping our tremendous intellectual resources. The current number of scientific and technological workers throughout the province who have joined scientific and technological societies and organizations at or above the county level is more than 38,000; and that of workers who have joined at the grass-roots level scientific and technological associations and societies in plants, rural areas, and neighborhoods is several hundred thousand. They represent an impressive force. Party committees and governments at all levels must show ardent concern and support scientific and technological workers in various fields. By further deepening reform in the managerial system of scientific and technological personnel, we should implement the party's policies on intellectuals, including scientific and technological workers, and adopt realistic measures to create conditions for them to better play their role. Efforts should be made to arouse various social forces to apply all methods to vigorously and successfully conduct the propaganda work of science and technology; foster the strong social morale of respecting knowledge and talented personnel, advocating science, and developing science and technology; and provide a good social climate for the existing talented personnel to better play their role, for more outstanding personnel to come to the fore, and for the scientific and technological undertakings throughout the

province to develop and flourish. Scientific and technological associations and organizations are mass communities under the party's leadership; are links between party committees, governments, and scientific and technological workers; and are assistants to the party committee and government in developing scientific and technological undertakings. We should further enhance or improve our leadership over scientific and technological associations and organizations and support them to earnestly perform their function and duties. Scientific and technological associations and organizations at all levels should pay attention to enhancing their self improvement and upgrading their work level, truly become the home of scientific and technological workers, and better assume the glorious missions imposed by the party and the people.

Fellow delegates, comrades: The 1990's is a crucial period for building socialist modernization in our country and also a golden stage of having scientific and technological associations and organizations and the broad masses of scientific and technological workers display their skills to the fullest and make contributions or establish themselves. We are convinced that after this congress, the scientific and technological associations and organizations at all levels throughout the province and the broad masses of scientific and technological workers will certainly be able to go into action in making greater efforts to promote the flourishing of the economy and science and technology in the province and to make greater achievements in their work.

May the scientific and technological congress be completely successful. Thank you all.

Inner Mongolia Narcotics Conference Concludes

SK1612133791 Hohhot Inner Mongolia People's Radio Network in Mandarin 2300 GMT 14 Dec 91

[Text] The three-day regional work conference on banning narcotics concluded in Hohhot on the afternoon of 14 December. Chen Kuiyuan, Standing Committee member of the regional party committee, vice chairman of the regional government, and head of the regional leading group for eliminating narcotics, spoke at the conference.

He said: Criminal activities relating to narcotics are extremely serious at present. Therefore, party committees and governments at various levels must pay close attention to this, and must not regard it as unimportant. We should clearly understand that problems relating to narcotics are on no account problems relating to public order or economic crimes; they are serious social problems and are political problems directly relating to social stability, economic development, consolidation of political power, and national prosperity. We must approach the importance and urgency of eliminating narcotics from this high plane; realistically strengthen the sense of responsibility and the sense of mission for grasping the struggle against narcotics; and wage the struggle in a wide, deep, and solid manner.

Chen Kuiyuan said: Party committees and governments at various levels should fully understand the arduousness and duration of the struggle, realistically strengthen leadership over the struggle, put the work of fighting narcotics on the important work agenda, clearly define narcotics prohibition work targets, set up and implement the system of carrying out narcotics prohibition work on a responsibility system, and ensure achievements within a fixed time. Public security organs, procuratorial organs, people's courts, public health departments, civil administrative departments, propaganda departments, educational departments, financial departments, agricultural departments, forestry departments, forest police departments, People's Armed Police departments, customs departments, railway departments, and transportation departments should closely cooperate with each other, and make concerted efforts comprehensively to improve the social order. In the course of fighting narcotics, we should persist in the mass party line, fully rely on the masses to carry out the prevention of narcotics through to the end, ceaselessly upgrade the people's awareness of eliminating narcotics, and make the people consciously engage in the work. Meanwhile, special organs and the contingents of workers specializing in stopping narcotics should vigorously strengthen their work; and punish, according to law, the criminal activities related to narcotics.

Commentary on 'Special Struggle'

SK1612120291 Hohhot Inner Mongolia People's Radio Network in Mandarin 1100 GMT 14 Dec 91

["Short commentary": "Vigorously Wage a Special Struggle To Eliminate Narcotics"]

[Text] Since the beginning of this year, localities throughout the region have vigorously launched a special struggle to eliminate narcotics, and have made great achievements in this regard. However, criminal activities due to narcotics are still prominent. Various kinds of criminal cases were caused by narcotics. Some drug addicts made reckless moves, some engaged in robbery and theft, and some became prostitutes. All this seriously disturbed the social order. Criminal activities due to narcotics run rampant. The situation indicates that some localities and units failed to fully understand the importance and urgency of narcotics prohibition, or to guard vigorously against and attack criminal activities caused by narcotics. Waging the struggle against narcotics and eliminating narcotics is a great matter relating to the health and happiness of the people, national prosperity, and the smooth progress of the four modernizations.

The year 1992 is a key year to realize the requirement of the CPC Central Committee and the State Council for controlling the raging problem of drug abuse within two or three years. To this end, all localities should have the spirit of assuming high responsibility to the party, the nation, and the people; positively go into action; conscientiously check the planting of opium poppies, the trafficking of narcotics, and narcotics abuse; persist in

the principle of treating a disease by looking into both its root cause and symptoms; conduct propaganda and education on dealing blows to and guarding against criminal activities relating to narcotics; and fully mobilize the masses to resolutely wage a struggle against criminal activities caused by narcotics; and ensure the elimination of all narcotics, punish those who traffic in narcotics, check those who plant opium poppies, and force drug addicts to stop taking drugs.

Inner Mongolia Improves Pasture Infrastructure

OW1912113691 Beijing XINHUA in English
1024 GMT 19 Dec 91

[Text] Hohhot, December 19 (XINHUA)—Northern China's Inner Mongolia Autonomous Region has improved the infrastructure of more than one million ha [hectares] of pasture land to boost animal husbandry.

It has formed "kure" in 23,000 places which have water supplies. "Kure" is a Mongolian word meaning "garden." It is usually surrounded by earthen walls or willow fences to stop sand encroaching. The herdsmen plant fodder grass inside.

These "kure" cover a total area of some 47,000 ha of grassland and produce 5.26 billion kg of grass a year.

Sheds have been built for 80 percent of the livestock and drinking water supplies are available for nearly all of the animals in the region, China's largest animal husbandry center.

Experts here predict that pasture lands in the region can now accommodate 50 million head of livestock.

Nation's Largest Coal Mine Begins Operation

OW1312225391 Beijing XINHUA in English
1640 GMT 13 Dec 91

[Text] Taiyuan, December 13 (XINHUA)—China's biggest coal mine began official operation in Datong, Shanxi Province, today.

The Sitaigou Mine of the Datong Mining Administration has an annual production capacity of five million tons. Its going into operation will greatly boost the coal production of the Datong Mining Administration, China's largest, and will pave the way for the administration to attain the goal of reaching 45 million tons a year by the end of the century.

It took only seven years to complete the construction of the mine, whose operation will be completely mechanized.

Completed at the same time were the coal washing plant with an annual capacity of 5.3 million tons and a railway electrification project. All the coal produced from the mine will be washed and shipped away directly from the mine. This is the first such mine in China.

Tianjin Maritime Court Resolves Ship Dispute

OW1312224091 Beijing XINHUA in English
1620 GMT 13 Dec 91

[Text] Tianjin, December 13 (XINHUA)—The Tianjin Maritime Court successfully mediated a sea dispute recently with a Tianjin company being compensated 800,000 German marks by a Norwegian ocean-going ship.

The prosecutor, the Tianjin Seamless Steel Tube Plant, applied with the maritime court for detaining the ocean-going ship "M/V Nortween Minerva" owned by the CRMS Far East Line (HK) Ltd. Because it had found that its imported goods shipped by the "M/V Nortween Minerva" were damaged. It also asked the owner of the ship to provide security worth 7.6 million German marks.

The commodities which should have been put into the ship's hold when they were shipped from Italy to China were merely put on the open decks and were seriously damaged by water, the prosecutor claimed.

Upon learning of the case, the court immediately sent people to the ship to conduct investigations, and gave orders to detain the ship on August 30.

However, the owner of the ship failed to provide adequate security after the ship was detained and according to Chinese law, if there is no acceptable security provided, the court has the right to sell the ship in order to clear the debts.

The court did not do it rashly, but made more efforts to mediate. By further investigation, it came to the conclusion that the commodities which were soaked by water were not totally damaged, and the prosecutor should reduce the value of the security.

In the end, through consultation between the prosecutor and the defendant, the case was concluded with the latter paying 800,000 German marks to the former.

The "M/V Nortween Minerva" was released and left on November 21.

Northeast Region

Quan Shuren Addresses Secretaries' Study Session

SK1712102691 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 16 Dec 91

[Text] The study session for county and district party secretaries, held by the Liaoning Provincial CPC Committee, opened in Shenyang on 16 December. Attending the study session were Quan Shuren, secretary; Sun Qi and Shang Wen, deputy secretaries; Xu Wencai, Standing Committee member and secretary general of the provincial party committee; Li Jun, vice chairman of the provincial People's Congress Standing Committee; Xiao Zuofu, vice governor of Liaoning; responsible

persons of the pertinent departments of various cities; and secretaries of county and district party committees, totaling 170 persons.

Comrade Sun Qi pointed out at the opening ceremony of the study session: Participants in the study session will conduct intensive study mainly of the documents of the eighth plenary session of the 13th Central Committee, to understand thoroughly the guidelines of the plenary session so as to open up a new situation in Liaoning's agriculture and rural work.

He said: The basic guidelines of the decision of the eighth plenary session of the 13th Central Committee on further strengthening agriculture and rural work can be summarized as the following. First, the decision comprehensively summarized the tremendous achievements in China's rural reform and construction in the 1980's. Second, it fully affirmed the position and role of agriculture in social and economic development. Third, it clearly defined the major tasks and general goal for the 1990's.

Quan Shuren, secretary of the provincial party committee, gave a study report entitled: "The Starting Point and the End Result of Rural Work." He pointed out: The Central Committee's decision on further strengthening agriculture and rural work embodied the fundamental guiding thought for the party to lead peasants in carrying out reform and construction in rural areas, and crystallized its experiences in the practice. In summary, the basic guidelines mean that protecting the enthusiasm of peasants is the starting point and end result of rural work in all fields. As far as Liaoning is concerned, we relied on state allocation of grain for many years to ensure the supplies of urban and rural grain, due to scant cultivated land and a large proportion of urban population. Since the third plenary session of the 11th Central Committee, however, the rural economy has developed vigorously and Liaoning has removed the label of grain-deficient province. The basic reason for this lies in enforcement of the household-based responsibility system with remuneration linked to output and the dual management system, whereby unified management is combined with independent management, which enables the superiority of unified management and peasants' enthusiasm resulting from agricultural contracts to develop fully.

Speaking on ways to boost peasants' enthusiasm, Comrade Quan Shuren emphasized: The series of principles and policies formulated by the central authorities in line with the objective law governing rural reform and construction have won the wholehearted support of peasants. They are and will be the base on which we guide rural work. Therefore, we should unswervingly implement them.

Liaoning Protects Marine Resources in Reserves

OW1612082291 Beijing XINHUA in English
0723 GMT 16 Dec 91

[Text] Beijing, December 16 (XINHUA)—Liaoning Province in northeast China has built a total of 34 nature reserves in recent years, covering 3.9 percent of the total area of the province.

The nature reserves are of island marine resources, migratory birds, snake islands, and rare sea organisms. The construction of the reserves has given a boost to the local economy in many ways and protected the natural environment in the province, a major industrial center of China.

The Dalian Snake Island Reserve has formed a network of snake protection, research, development and utilization. The number of pallas pit vipers in the reserve has increased from 70,000 to 14,000 [as received].

The reserve has made use of snake poison in pharmaceuticals, founded a hospital, and sponsored an exhibition which earned profits of 300,000 yuan last year.

Other nature reserves protect water and land from industrial pollution.

The governments at various levels have collected funds from various channels to ensure construction of these reserves.

Northwest Region

Gu Jinchai Praises 'Outstanding' Party Cadre

HK1612151891 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 15 Dec 91

[Excerpts] Two days ago, Gu Jinchai, provincial party committee secretary, delivered a broadcast speech entitled "The Party's Leading Cadres Should, Like Comrade Li Wei, Display the Spirit of Building Up the Province Through Arduous Efforts and Selfless Devotion To Attain the Province's Second-Step Strategic Objective."

Comrade Gu Jinchai said: From 3 to 14 March, the Gansu People's Broadcasting Station broadcast in its news program a six-part report entitled "Let Life Give Out Genuine Luster on Meritorious Deeds of Comrade Li Wei, an Outstanding Communist Party Member." This report found an enormous echo among the broad masses of party-member cadres and the people, producing a great desirable social effect. Many leading comrades are deeply touched by Li Wei's spirit of serving the people wholehearted as a willing servant.

Comrade Li Wei, magistrate of Zhangjiachuan Hui Autonomous County, is a national outstanding leading cadre commended by the CPC Central Committee. He fulfilled the promise he made when he was admitted to the party, displaying the spirit of selfless devotion and of holding himself highly responsible for the people in his actual work, thus winning the people's trust and respect. He won honor for the party and government. [passage omitted]

Li Wei has set us an example showing what an outstanding leading party cadre is like. We must learn from him. Our party is the loyal representative of the people of all nationalities and the core leading our socialist cause forward. The party is now undertaking an arduous task

of leading the Chinese nation to build socialism with Chinese characteristics. To fulfill the mission history has entrusted to us, the broad masses of party members and cadres throughout the province must, like Li Wei, contribute what they have to the party's and the peasants' cause. [passage omitted]

Discusses Plenum

*HK1612091191 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 15 Dec 91*

[Excerpt] The seventh provincial party committee held its sixth enlarged plenary session in Lanzhou yesterday morning [15 December] to relay and study the spirit of the Eighth Plenary Session of the 13th CPC Central Committee, plan the province's agricultural development and the work in rural areas, evaluate this year's work, and set tasks for next year.

The plenary meeting will examine and pass the provincial party committee's resolution on implementing the spirit of the eighth plenary session, the summary report on the work in 1991, and the plan on major tasks for 1992.

Gu Jinchi, provincial party committee secretary, chaired the meeting and gave the audience a brief account of the CPC plenary session and its essence.

Governor Jia Zhijie, who is also deputy secretary of the provincial party committee and a CPC Central Committee member, reported on the CPC Central Committee's decision on further strengthening agriculture and the work in rural areas.

Li Ziqi, provincial Advisory Committee chairman, who is also a CPC Central Committee member, conveyed General Secretary Jiang Zemin's important speech at the CPC plenary session.

Comrade Gu Jinchi said: The Eighth Plenary Session of the 13th CPC Central Committee was called at a time when the whole party, and the people of the whole country, were closing ranks to comprehensively implement the party's basic line and focus on economic construction, during which they made remarkable achievements in all fields of endeavor.

The meeting was one in which the participants displayed enthusiasm, strengthened unity, freed themselves from old ideas, and sought truth from facts. It was lively and fruitful and called on the people of the whole country to greet the 14th CPC National Congress with definite actions.

The meeting was designed to discuss ways to strengthen agriculture and the work in rural areas and made an important decision. This is the another party strategic decision on strengthening agriculture as the foundation of the national economy, deepening rural reforms, and comprehensively advancing the rural work since the Third Plenary Session of the 13th CPC Central Committee. The decision is of great realistic and far-reaching

historical importance to further revitalizing the rural economy; making a success of the rural work; promoting the sustained, stable, and coordinated development of the national economy; bolstering the strength for resisting peaceful evolution; maintaining political and social stability; and ensuring the realization of the second-step strategic goal for the socialist modernization drive. [passage omitted]

Jia Zhijie Inspects Water Conservation Project

*HK1712090691 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 14 Dec 91*

[Text] On 13 December, Governor Jia Zhijie led comrades in charge of the provincial Agricultural Committee, the Lanzhou city government, and other relevant departments in inspecting the land and conditions of (Liangtian) and (Tongliancun) Townships, in the northern hilly area of Yuzhong County. He suggested antidrought measures.

Since the second half of May this year, no pouring rain or snow has fallen in the northern hilly area of Yuzhong County, and it has been very dry. In response to this, Jia Zhijie called on the county to immediately mobilize the people; start fighting drought and preparing for plowing as a paramount task for the present; improve antidrought measures; and, at the same time, immediately follow up on the jobs of collecting and sending manure, irrigation, and preventing frost to lay a foundation for spring sowing next year.

After carefully inspecting a courtyard rainwater collecting and diversion project jointly built by a dozen or so peasant households, Jia Zhijie spoke highly of this rainwater collecting and conversion project in the northern mountainous area of Yuzhong County. He said: The courtyard raincollecting water-control method of the northern mountain entails little investment, is simple and convenient, and brings quick results. Approximately 10 mm of rainfall can form new streams, with the proportion of streams formed reaching 68.9 percent. It has opened up good prospects for water consumption by people and animals and for the irrigation of farm products in Gansu's dry areas. As a whole, he hoped that they will vigorously initiate and build irrigation and water conservancy projects, while vigorously guiding peasants to solve the problem of water consumption by people and animals and to find a new way to wealth through the rural economy's comprehensive development.

Gansu To Launch Campaign on Party Basic Line

*HK1712090991 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 14 Dec 91*

[Text] On 13 December, in line with the spirit of the provincial party committee work conference decision to launch a large-scale campaign to discuss the party's basic line throughout the province, the provincial party committee Propaganda Department worked out prepared

suggestions. The suggestions point out: Since the Third Plenary Session of the 11th CPC Central Committee, our party has insisted on integrating the universal principles of Marxism-Leninism with the actual situation of China's socialist modernization construction, put forth a whole set of basic theories and principles for building socialism with Chinese characteristics, and confirmed the basic line which is centered on economic development and which sticks to the four cardinal principles and reform and opening up. We are now faced with the complicated and grim international situation and with heavy tasks of construction. In order to establish ourselves in an assailable position forever, and incessantly wrest new victories, it is necessary to have a deeper understanding of the party's basic line and thoroughly implement it. The provincial party committee has decided to hold a large-scale campaign throughout the province to discuss the party's basic line; further emancipate the mind; inspire revolutionary enthusiasm; fully mobilize the socialist initiative of vast numbers of cadres and the masses; step up the pace of Gansu's economic development; and struggle for the fulfillment of the Eighth Five-Year Plan, the 10-Year Program, and the second-step strategic goal.

The large discussion campaign's methods and demands are: It is necessary to use the spirit of the Central Work Conference and the Eighth Plenary Session of the 13th CPC Central Committee as a guide, and conscientiously study Comrade Deng Xiaoping's remarks on the party's basic line and Comrade Jiang Zemin's speech given at the meeting to celebrate the 70th anniversary of the CPC's founding. It is necessary to firmly establish the thought of taking economic development as the center. All trades and professions should be subordinated to this center and all jobs must also be subjected to and serve this center. It is necessary to uphold steadfastly and unswervingly the four cardinal principles and reform and opening up and make efforts to enhance the consciousness of implementing the party's basic line. It is necessary to strengthen the political and ideological building of the contingent of cadres and make efforts to develop our province's economy in light of the actual situation. It is necessary to establish through discussion the idea of vigorously developing the economy and make efforts and forward suggestions for invigorating the economy and comprehensively promote the development of Gansu's economy. It is necessary to further emancipate the mind, stress courage, deepen reform, increase the extent of openness, and overcome the small-scale production concept that binds the development of productive forces. It is necessary to prevent and overcome the bad phenomena in the cadre contingent with a positive attitude and by taking resolute and beneficial measures to train, for the sake of the socialist modernization construction, large numbers of key leaders who are both red and expert and honest in performing their official duties, and who can maintain close ties with the masses. It is necessary to resolve conscientiously the problems in the aspects of ideological understanding and

mental outlook. The problems of "fear, softness, complacency, drifting along" now exist among some cadres: Some cadres put fear before everything, their minds are not active and are difficult to develop. In the face of difficulties and contradictions, some neither work out methods positively and on their initiative nor do their best to resolve the problems. They only wait for and rely on others, and try to get something from them, thus lacking the pioneering and enterprising spirit. Some are easily satisfied with the present situation and with the results they have made, and set low standards and starting points for their work. They only stick to what they have achieved without pioneering new achievements. Others lack a strong sense of responsibility and devotion to their work, muddle along, pay no attention to their work, lack work vitality, are unable to blaze new trails, and so forth. In their discussion, all localities and units should fit their work and thoughts into their actual situations. They should rid themselves of the concrete reflections of their unemancipated minds and low morale, find the gaps and reasons, work out measures, launch a large liberation and mobilization of their thought, and give vigorous encouragement to boost their work morale. In discussing special topics, it is necessary to have a comprehensive and correct understanding of the party's basic line; establish the idea of [words indistinct]; and discover the problems and differences in the ideological work practice of their own units and emphasize coping with knotty prominent problems and the question of how to correctly understand the planned commodity economy's laws and characteristics, establish the spirit of daring to shoulder responsibilities, to blaze new trails, to explore the way forward and make progress; and in response to the problems and gaps in ideological understanding, study how to emancipate the mind, inspire revolutionary enthusiasm, develop the province's planned commodity economy, and usher in a new work situation.

The large-scale discussion campaign mainly will be launched in organs at and above county level. It will last approximately six months from this December to next June, and we will arrange for study in normal study days. Central study groups of the leading groups at and above county level and party and government organ cadres should integrate and implement the spirit of the Central Work Conference and the Eighth Plenary Session of the 13th CPC Central Committee, and first hold discussions in rural areas in December and January. Party organizations at all levels and socialist education teams will arrange for a time for the explanation and discussion of socialist ideas in rural areas in light of the rural socialist ideological education and the actual situations of all localities. Enterprises, colleges and universities, and scientific research units should reasonably arrange for study and discussion in the first half of next year by integrating them with the study of party history and party-building theories, further resolve the problem of ideological understanding at a deeper level of the cadres and masses.

Gansu Meeting Formulates Antipornography Measures

*HK1612090391 Lanzhou Gansu People's Radio
Network in Mandarin 2300 GMT 11 Dec 91*

[Text] On 10 December, Mu Yongji, provincial vice governor, convened and presided over a meeting of the provincial antipornography leading group. Everyone maintained that the province has attained fairly obvious results in antipornography work. All localities have generally strengthened publications management and supervision and seized a great number of banned books, magazines, and audiovisual products. Healthy and good publications play a leading role in the cultural market. Nonetheless, since the beginning of June this year, illegal publications have once again been resurgent, causing serious harm to society.

At the meeting, Vice Governor Mu Yongji set specific demands on antipornography work this winter and next spring. He said: First, it is necessary to enhance our understanding of the importance and protracted nature of the antipornography struggle and improve the consciousness of vast numbers of cadres and the masses in antipornography struggles through extensive propagation. Second, it is necessary to strengthen leadership over antipornography work and concentrate our efforts on and launch other antipornography raids this winter and next spring, to crack down hard on criminals engaging in illegal publishing activities. He called on various departments to share the work and coordinate with one another to strengthen management of the publications market, further improve laws and regulations for the management of the publications market, and bring this work onto the track of legal management.

ARATS Council Members Interviewed on Exchanges*HK1812140691 Beijing ZHONGGUO XINWEN SHE
in Chinese 0635 GMT 18 Dec 91*

[By staff correspondent Zhou Jianmin (0719 1696 7044): "Promote 'Three Exchanges' and Exchanges in Other Fields—Interview With 'Association for Relations Across the Taiwan Strait' Council Members"]

[Text] Beijing, 18 Dec (ZHONGGUO XINWEN SHE)—The newly established "Association for Relations Across the Taiwan Strait" [ARATS] includes many well-known figures, experts, and scholars from various circles in the mainland. This correspondent recently interviewed some of these well-known figures to obtain their opinions on how they, as ARATS council members, will promote the direct "three communications" between the two shores and further expand exchanges.

Anmin [1344 3046]: I Hope There Is an Early Realization of Two-Way Economic and Trade Exchanges Between the Two Shores

As head of the Department of Economic Relations and Trade With Taiwan of the Ministry of Foreign Economic and Relations and Trade, Anmin is a familiar name to people in Taiwan economic and trade circles. He told this correspondent that recent economic and trade exchanges between the two shores have been very busy and that the momentum of development is irreversible. He stated that the establishment of ARATS is a response to the development of two-shore exchanges and interaction. He said that as a nongovernmental body, ARATS gathers well-known figures from various circles to help launch in-depth and more substantive exchanges. As an ARATS council member, Anmin stated that he will actively and in planned steps develop two-shore economic and trade exchanges under the organizational leadership of the council.

Anmin was pleased with the considerable growth in two-shore economic and trade exchanges this year. But he calmly pointed out to this correspondent: At present Taiwan exports much more than the mainland in two-shore economic and trade exchanges. This will be harmful to further development of two-shore economic and trade exchanges if it remains unchanged. Anmin said that persons from Taiwan economic and trade circles have many times invited their mainland counterparts to visit Taiwan, and mainland economic and trade circles have long asked to visit Taiwan for exchanges, market study, and further opening of trade. But owing to various unreasonable regulations and restrictions imposed by the Taiwan authorities, so far they have not been able to go there. He hoped that the Taiwan side could go along with the times and remove these man-made obstacles, so that two-shore economic and trade circles could make two-way exchanges and further develop two-shore economic and trade relations.

Lin Qin [2651 0530]: Direct "Three Communications" Between Fujian and Taiwan will Benefit Both

Lin Qin, director of the Fujian CPC Committee Office for Taiwan Work, told this correspondent: "All the conditions are ripe" for direct "three communications" between Fujian and Taiwan and the only thing missing is the "triggering cause." He said that over the last few years close to 10,000 Taiwan vessels annually have called at Fujian's ports. Beginning this year this situation has threatened to come out into the open, and the ships that have been calling at these ports have grown larger.

He believed that judging from the situation in Fujian, the Taiwan people's demands for direct "three communications" are stronger than those of the Fujian people. At present 250,000 Taiwan compatriots visit Fujian Province annually, most of them making a stopover and changing planes in Hong Kong. It is costly, time-consuming, tiring, and very inconvenient. The hundreds of Taiwan merchants investing and building factories in Fujian are also plagued by trouble with raw material supplies and the necessity for product exports to change ports. They unanimously request that the Taiwan side open direct traffic between two shores to reduce the burdens of people and manufacturers. Li Qin stated that Fujian and Taiwan are separated only by a Strait, and that direct "three communications" would be the best choice. He hoped that the Taiwan authorities could comply with the popular wish and open up the two shores for direct "three communications."

Ren Bingxin [0117 4426 2946]: Ideas for Expanding Two-Shore Cultural Exchanges

Ren Bingxin, vice chairman of the Federation of Chinese Culture, is ready with ideas for promoting and expanding two-shore cultural exchanges. He said that from January to October there were 116 items of cultural exchange between the two shores, involving some 870 people. But so far these exchanges have remained one-way. He hoped that mainland cultural groups could soon visit Taiwan for exchanges. On the possibility of specific plans for visits to Taiwan by mainland cultural groups, Ren Bingxin said that at present there are plans for Taiwan visits by Chinese opera and ballet troupes and the Central Orchestra. There are also plans for holding exhibitions in Taiwan, for example the one on Mazu folk culture. He stated that as long as the Taiwan side lifts the man-made obstacles, such as the regulation that cultural groups visiting Taiwan cannot have more than three members, mainland cultural groups such as those listed above are ready at any time to depart for Taiwan for visits and exchanges.

Wang Fengqi [3769 7685 1477]: Promote Exchanges and Cooperation Between the Chinese Medical Professions on the Two Shores

The name Wang Fengqi is well known in Taiwan. Owing to his status as office director of the State Administration of Traditional Chinese Medicine, he was forced to cut short his itinerary last September when he was

visiting Taiwan and returned to the mainland earlier than scheduled. But Wang Fengqi was not upset by the Taiwan authorities' unreasonable move. He is only concerned about promoting exchanges and cooperation between the Chinese medical professions of the two shores, and letting the traditional medicine of the motherland benefit the compatriots on the other shore.

Wang Fengqi told this correspondent that on his recent visit to Taiwan, he found that the standard of traditional medicine in Taiwan is generally lower than in the mainland, and Chinese medicine doctors do not have legal status in Taiwan. Therefore traditional medicine practitioners in Taiwan would very much like to study and receive training in the mainland and be examined and certified by the mainland. Wang Fengqi stated that next year he will work to make this a reality in the hope of doing something solid for exchanges and cooperation between Chinese traditional medicine professions on the two shores.

Taiwan Welcomes ARATS

HK1912083791 Beijing ZHONGGUO XINWEN SHE
in Chinese 1512 GMT 16 Dec 91

[Text] Hong Kong, 16 Dec (ZHONGGUO XINWEN SHE)—Report from Taipei: Relevant scholars and public opinion in Taiwan have made comments on Mainland China's formal establishment of the Association for Relations Across the Taiwan Strait [ARATS] today, feeling that the mainland will adopt a more pragmatic attitude in dealing with problems cropping up during exchanges between the two sides of the Taiwan Strait.

A CHUNG-KUO SHIH-PAO [CHINA TIMES] editorial pointed out that the establishment of ARATS has aroused extensive attention and interest in Taiwan, and has naturally become the focus of public interest. The editorial emphasized that regarding this new organ, the Taiwan authorities should place its policy stress on the evaluation of functions and roles. Moreover, the Taiwan authorities should no longer decline to discuss but give well-meaning response to issues concerning the "three direct exchanges," and substitute evasion and concession with a positive attitude.

A TZU-LI TSAI-PAO [THE INDEPENDENCE MORNING POST] editorial indicated that it merits affirmation that the mainland set up an "equivalent" organ to coordinate with Taiwan's Straits Exchange Foundation on the operation of nongovernmental affairs across the Strait. This is also the result of the common efforts of the authorities on both sides to effectively reduce hostilities between the two. The editorial emphasized that normal exchanges should be carried out between the two sides at an early date, and the adoption of a pragmatic attitude is the only sound strategy to build up a foundation of peace for cross-strait relations.

A HSIN-SHENG PAO [NEW LIFE DAILY] editorial said that the mainland's establishment of ARATS serves

as a new starting point for a virtuous development of mutual initiative between the two sides. It also shows clearly that China always keeps open the door of mutual initiative, and Taiwan should be happy to see it succeed.

Public opinion here pointed out that the mainland's timely establishment of ARATS will help reach agreements with relevant sides in Taiwan on affairs concerning both sides. Evidently, it is also beneficial to stepping up exchanges between the two sides of the Strait.

Relevant scholars in Taiwan also welcome the mainland's establishment of ARATS. Professor Wang Chih-wen of Taiwan's Chinese Culture University indicated that following the mainland's establishment of ARATS, the room and margin for cross-strait mutual initiative will be broader than before, and there will be more channels for both sides to communicate with each other.

Associate Research Fellow Chen Te-sheng of Taiwan's National Chengchi University, and Visiting Assistant Professor Wu Yu-shan of National Taiwan University pointed out that the establishment of ARATS serves to show that the mainland has become more flexible in its policy toward Taiwan. They also believe that ARATS will adopt a more pragmatic attitude in coping with cross-strait affairs and in strengthening exchanges between the two sides of the Taiwan Strait.

Further on Taiwan Reaction

OW1812142091 Beijing XINHUA Domestic Service
in Chinese 0335 GMT 18 Dec 91

[Text] Hong Kong, 18 Dec (XINHUA)—Public opinion in Taiwan contends that the establishment of the Association for Relations Across the Taiwan Strait will help develop cross-strait relations. During the past two days, major Taiwan papers have given prominent coverage to the association's founding, and some have even carried editorials and articles to welcome the event.

In its editorial "Genial Reciprocation From the Founding of the Association for Relations Across the Taiwan Strait by Communist China," LIEN HO PAO stated that the aim of the association is to promote exchanges and develop cross-strait relations, as well as to realize the peaceful reunification of China. It is also the common wish of all Chinese people. It expressed the hope that the association's founding will effectively promote cross-strait relations and "advance genial reciprocation by both sides." The editorial indicated that "any means that can enhance contacts and functional cooperation across the Strait will help promote the expansion of cross-strait relations and are developments welcomed by all Chinese people. The association's establishment by the mainland is a positive move that should be affirmed."

In their articles, TAIWAN HSIN SHENG PAO and KUNG SHANG JIH PAO stated that the association's founding "shows that the Chinese Communist side is

giving increasing importance to Taiwan affairs" and "signifies that the development of cross-strait relations has entered a new stage." KUNG SHANG SHIH PAO stated that Taiwan's business circles also welcome the association's founding and that they believe it will promote the genial expansion of cross-strait ties, while helping to resolve any trade and investment disputes that may occur between the two sides of the Strait. The business circles expressed the hope that, regarding Taiwan's "mainland policy," the Taiwan authorities should "opportunistically coordinate the policy's pace on the basis of mutual trust and benefits to clear suspicions and anxieties in order that Taiwan businesses can have more room to expand on the mainland."

Commentary on 'Important Development'

OW1712193291 Beijing Central People's Radio
in Mandarin to Taiwan 2200 GMT 16 Dec 91

[“Station Commentary: An Important Development of Relations Across the Taiwan Strait”; from the “News and Current Events” program]

[Text] The Association for Relations Across the Taiwan Strait has now been established. Its birth has attracted widespread attention from people at home and abroad. This is a major event in the history of the development of relations between the two sides of the Taiwan Strait. An important development of mainland-Taiwan relations, the establishment of the association has great significance.

Under the new situation, marked by the development of mainland-Taiwan relations, the establishment of the association certainly will have a widespread impact on promoting and broadening contacts and exchanges in all sectors between the two sides, and in expediting the motherland's peaceful reunification. This being the case, the establishment of the association is something to be celebrated by Chinese people at home and abroad.

Mainland-Taiwan relations have had profound and significant changes in recent years. The once tense and confrontational relations have relaxed gradually, and longstanding estrangement has gradually given way to mutual contacts. Countrymen on both sides of the Strait welcome and support the increasingly frequent contacts and exchanges between the two sides in economic matters, trade, cultural activities, science and technology, academic affairs, and sports, because these activities have enhanced the contacts between countrymen on both sides of the Strait and in promoting their mutual and common understanding. However, the development of contacts and exchanges has given rise to many real problems, including civil disputes and crimes concerning the two sides. Thus, it is necessary for the two sides to consult one another to solve these problems so that the legitimate rights and interests of countrymen on the two sides can be protected, and so that the development of relations between the two sides can continue.

Specifically because of this necessity, people of all circles on the mainland proposed the establishment of a nongovernmental organization with an aim to promoting nongovernmental contacts and exchanges, as well as the motherland's peaceful reunification. This proposal received the attention of all circles on the mainland, and was accepted by the Taiwan Affairs Office under the CPC Central Committee. Now, with the support of that office and other authorities, the Association for Relations Across the Taiwan Strait, a nongovernmental organization established to handle affairs concerning the two sides, has been finally established. We believe that people at home and abroad will favorably regard such a pragmatic act of the mainland. We hope that the authorities and people of foresight in Taiwan will also respond to this favorably, and take active measures to eliminate all types of artificial barriers so that the development of mainland-Taiwan relations will be even quicker and more successful.

One point we must emphasize is: As far as the association is concerned, its operations will be broad and the scope of its contacts will be extensive. It is not simply a counterpart of a certain organization established in Taiwan. The association cannot, and should not, monopolize all nongovernmental exchanges between the mainland and Taiwan. Thus, the association will be dedicated actively to promoting exchanges between the two sides and will, whenever possible, assist the relevant authorities and social groups and coordinate with them in promoting all types of contacts and exchanges between the two sides, so that the three direct links and bidirectional exchanges—which are urgently demanded by countrymen on the two sides—can be achieved as quickly as possible. We wholeheartedly hope the association will, with energetic support from all quarters, contribute actively to broadening the two sides' nongovernmental contacts, hastening the three direct links and bidirectional exchanges between the two sides, and promoting the development of mainland-Taiwan relations.

Cross-Strait Trade To Hit 'All-Time High'

HK1812144491 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0956 GMT 15 Dec 91

[Special feature by Li Xiaozhun (2621 1321 6150)]

[Text] Hong Kong, 15 Dec (ZHONGGUO TONGXUN SHE)—Trade between Mainland China and Taiwan through Hong Kong has risen steadily this year along with the good economic performance and brisk export business in both places. By October this year, the total volume of the cross-strait entrepot trade had hit \$4.037 billion [currency not specified], up 43.92 percent over the same period last year. The total trade volume for 1991 is expected to hit \$5.5 billion, an all-time high, if calculated in the average monthly trade volume. In fact, Taiwan has now become the mainland's fourth biggest trade partner.

Since the 1970's, the mainland and Taiwan built closer and closer economic relations. Taiwan-made goods exported to the mainland through Hong Kong have increased at an average monthly rate of 65 percent. From 1979 to this October, the volume of cross-strait entrepot trade was \$19.869 billion. During the same period, Taiwan businessmen set up 3,000 enterprises on the mainland involving \$3 billion, of which \$1 billion was invested in the January-November period this year, constituting a major factor for a sharp increase in cross-strait trade.

In addition, both Taiwan and the mainland have registered a big growth in exports this year. By November, Taiwan's favorable balance in foreign trade for 1991 had reached \$12 billion, while the mainland's favorable balance for 1991 will possibly outweigh Taiwan's figure, ranking second in the world. This has helped boost cross-strait entrepot trade. During the first four months this year, the volume of trade between Taiwan and the mainland through Hong Kong was \$1.557 billion, up 39.2 percent. The trade volume for July alone was \$500 million in July, a 50-percent increase. The total volume of cross-strait entrepot trade through Hong Kong for January-October this year was about last year's level of \$4.043 billion. Again, Taiwan's exports to Mainland China in January-November accounted for 6 percent of its total exports, thus making the mainland a market enjoying the greatest growth rate and biggest vitality for Taiwan-made goods.

At present, the total volume of trade between Taiwan and the mainland through Hong Kong has accounted for about 4 percent of Taiwan's total trade volume. The momentum of cross-strait entrepot trade shows the 1991 growth rate will come to 40 percent. The fourth quarter is usually a peak period for exports. The total 1991 volume of trade between Taiwan and the mainland through Hong Kong is likely to hit \$5.5 billion, even if calculated in the present average monthly trade volume of \$448 million.

'Steady Development' of Taiwan Investments Noted

HK1312011991 Beijing ZHONGGUO XINWEN SHE
in Chinese 0835 GMT 9 Dec 91

[Text] Beijing, 9 Dec (ZHONGGUO XINWEN SHE)—Since 1988, Taiwan businessmen have invested in more than 3,000 projects on the mainland. The total investment fund is over \$2 billion. With the help of the improving investment environment and low-priced land, labor, and cost on the mainland and the support and guidance of the policies and laws of the governments at various levels, the Taiwan-funded enterprises have now entered a period of steady development.

The main symbols of the steady development are as follows:

1. The forms of operation have become more flexible. The main forms of operation have been gradually

changed from joint ventures and contractual joint ventures some years ago to wholly foreign-owned enterprises. Statistics show that most of the Taiwan-funded enterprises in China's southeast coastal areas are wholly owned by Taiwan businessmen. With their superiority in funds, technology, management, and exports, the Taiwanese investors have been flexibly carrying out production and management and have basically adapted themselves to the mainland's investment environment.

2. More than 80 percent of the Taiwan-funded enterprises have earned profits. According to an investigation carried out in Fujian, Guangdong, and Shanghai, where there are more Taiwan-funded enterprises, more than 80 percent of such enterprises which have been put into production have earned profits. Many of them even earned profits in the very first year of production. For example, in Shenzhen, 90 percent of Taiwan-funded enterprises have earned profits; and in Xiamen, more than 85 percent have earned profits.

3. There is generally a trend of increasing investment and reinvestment among the Taiwan-funded enterprises. An investigation of 19 wholly Taiwan-funded enterprises in Xiamen, which was made by a relevant department in September last year, showed that seven of them, or 37 percent, had increased their investment. According to incomplete statistics, in Xiamen alone some 100 Taiwan-funded enterprises have increased their investment by more than \$100 million [currency not specified]. In Guangdong, the situation is also the same. The Taiwan-funded enterprises there have also increased their investment by a large margin.

4. The Taiwanese firms have coordinated with the mainland's industrial policy and industrial structure when investing. Since the beginning of this year, changes have taken place in their investment structure. They no longer limit their investment in the labor-intensive processing industry but have turned to investing in the basic industries, raw materials industry, and the high-tech industry. For example, they have invested in the construction of the Jinhua-Wenzhou railway. This shows that they have worked out long-term plans and have become more mature, and that they are doing things more steadily.

Sources here held that the steady development of the Taiwan-funded enterprises on the mainland has much to do with the continuous improvement in the investment environment there.

Over the past two years or so, while readjusting the industrial structure, the mainland has attached great importance to investment in the construction of basic facilities and in the three major fields of communications, energy, and transportation.

During the Seventh Five-Year Plan, the mainland government invested over 2 million yuan in developing post and telecommunications facilities. It is planned that more than 3 million yuan will be invested in these projects during the Eighth Five-Year Plan. At present, there are about 9.3 million automatic switchboards in

the mainland's major cities, including 4.84 million program-controlled telephones, which greatly help solve the difficulties in the communications field.

In recent years, the mainland government has also invested several hundred billion yuan to improve mainland traffic and transportation facilities. During the Seventh Five-Year Plan alone, about 10 airports were built, rebuilt, or expanded and more than 3,400 km of railways were completed. At the same time, some 218 new berths were constructed at coastal seaports and 150 ports were opened to the outside world.

Two years ago, those who came to invest in Fujian and Guangdong's coastal areas were often troubled by insufficient power supply. Many enterprises had to work only three days a week. Since last year, the two provinces' power supply have been increased by more than 1 million kw [kilowatts]. Moreover, with the successful conjunction of the Guangdong and Hong Kong electric power networks last month, the phenomenon of holding up work for lack of power has been fundamentally changed.

Many Taiwanese businessmen are satisfied with the mainland security and social environment. They said this is an important factor for them to keep their minds on their work. They also spoke highly of the support and assistance of the mainland governments at all levels. Apart from preferential policies, the governments at all levels have also done their best to help Taiwan-funded enterprises solve their practical difficulties. In summer this year, when east China was hit by disastrous floods, some Taiwan-funded enterprises in Jiangsu and Anhui were flooded. The governments at various levels regarded helping the flooded Taiwan-funded enterprises as their own job and did all they could to help them resume production. At present, most flood-afflicted Taiwan-funded enterprises have resumed normal operation.

The fact that the Taiwan-funded enterprises on the mainland have entered a stage of steady development is attracting more investors from the island. Although the Taiwan authorities have tried in a thousand and one ways to cool down the "mainland heat," they are unable to stop this trend's development. Investors from the other side of the Strait are coming in an endless stream. According to the statistics of the first half of this year, the number of investors from Taiwan had increased more than 60 percent over the same period last year.

'Roundup' Views Cross-Strait Trade Exchanges

*OW1312154491 Beijing XINHUA Domestic Service
in Chinese 0528 GMT 13 Dec 91*

[“Roundup” by XINHUA reporter Wan Hongqiang (8001 4767 1730) and RENMIN RIBAO reporter Zheng Gugu (6774 0942 0942): “Economic and Trade Exchange Between the Two Sides Surging Forward Irresistibly”—XINHUA headline]

[Text] Beijing, 12 Dec (XINHUA)—Despite the Taiwan authorities' persistent attempts to prevent the exchange of mail, trade, and air and shipping services, economic and trade exchanges between the two sides of Taiwan Strait, though still conducted in an indirect manner, increased greatly this year, with a trend toward stable development.

Trade and Investment Supplement Each Other

According to information released by Hong Kong's Customs Office, the total amount of trade between the two sides via Hong Kong reached \$4.037 billion [currency not specified] between January and September this year, representing an increase of 43.92 percent over the same period last year, which is equivalent to the total amount for 1989. It is estimated that the growth rate for this year's annual trade between the two sides will be maintained at 40 percent.

It was revealed by an economic and trade department on the mainland that Taiwan compatriots invested in 675 projects in the first half of this year, with a negotiated investment amount of \$430 million, representing an increase of 61.2 percent for projects and 10.1 percent for negotiated investment amounts, respectively, over the same period last year.

One of the salient characteristics in the economic and trade exchanges between the two sides is that trade promotes investment and investment, in turn, spurs on more trade. Statistics show that of the first 20 commodity items indirect traded between the two sides, equipment, raw materials, intermediate materials, and semi-finished products needed by Taiwan-invested enterprises on the mainland, accounted for 45 percent of the mainland's imports from Taiwan and for 25 percent of the mainland's exports to Taiwan. The increasing demand by Taiwan's industrial and commercial circles for the import of semi-finished products from the mainland shows that economic and trade exchanges between the two sides have further developed.

Facts have proven that the development of economic and trade ties between the two sides is beneficial to both and plays an increasingly important role in the economic development of the two sides.

Cooperation Between the Two Sides Is the Only Way for Taiwan's Economic Development

According to Taiwan statistics, as of this August, the volume of indirect trade between the two sides accounted for 3.86 percent of the total amount of Taiwan's foreign trade, a jump from last year's 3.32 percent. As of this November, Taiwan's exports to the mainland accounted for 6.4 percent of its total. The mainland has become the most invigorating and fastest growing market for Taiwan's exports. Most importantly, Taiwan enjoys a favorable trade balance with the mainland, accounting for more than one third of its total favorable trade balance. As of this November, Taiwan's favorable trade balance with Hong Kong was approaching \$10

billion, with a major part of it representing transit trade with the mainland. An authoritative person in Taiwan's economic circle said: Taiwan's economic growth rate was set at 7 percent this year. If there was no marginal growth in trade with the mainland, Taiwan's economic growth rate would have been only 4 percent. If there had been no trade with the mainland at all, Taiwan's economic growth rate would have been zero. Therefore, it is evident that Taiwan enjoys real benefit from trade between the two sides. Moreover, with the transferring of its many labor-intensive enterprises to the mainland, Taiwan is beginning to have the opportunity to develop its industry, which can manufacture goods with advanced technological standards and high value. This is greatly beneficial to the upgrading of Taiwan's economy. A insightful man in Taiwan pointed out: With the change in the international situation, the international economic order faces the problem of regrouping. With the development of the regional economy and trade protectionism gaining ground, the processing export-oriented economy in Taiwan—a place small in size and poor in natural resources—will be faced with serious challenges. It has become a common understanding for scholars as well as personages in industrial and commercial circles in Taiwan that cooperation between the two sides is essential for Taiwan's economic development.

Economic and trade ties between the two sides of the Strait also exert an increasing influence on the mainland's economy. The ratio between the volume of indirect trade between the two sides and the total trade volume of the mainland increased to 3.5 percent in 1990 from 1.3 percent in 1986. In the first half of this year, it also gained 1 percent. The ratio between imports from Taiwan and total imports increased to 6.1 percent in 1990 from 1.9 percent in 1986. In the first half of this year, it went even higher to 7.7 percent. Taiwan has become the mainland's fourth largest trading partner, fourth largest import market, and seventh largest export market. Investment in the mainland by Taiwan businessmen also plays a role in promoting the export-oriented economy of various localities, and in solving the employment problem for some people.

Taiwan-invested enterprises on the mainland have entered a period of stable development. Surveys show that most Taiwan businessmen with enterprises on the mainland have basically become accustomed to the mainland's investment environment, policies, regulations, and ways of operation. Most of the enterprises already put into operation have earned profits and have invited more investment and reinvestment. An investigation by Taiwan's Academia Sinica shows that 95.3 percent of Taiwan businessmen are positive in their evaluation of the investment environment on the mainland. Conglomerate investment by groups of businessmen is becoming a trend, with major enterprises leading related enterprises. At present, shoe and umbrella enterprises in Fujian and Guangdong have formed an initial system for linking up all enterprises as an integrated whole. Many medium and small-sized

enterprises Taiwan businessmen invest in have succeeded, which makes large enterprises itch to have a try. According to reports by Taiwan's newspapers, many large enterprises in Taiwan have made their appraisal and evaluation of investment in the mainland, some have even formulated plans for immediate implementation.

Promoting Bilateral Exchanges by Eliminating Obstacles

In order to promote the development of economic and trade exchanges between the two sides, the mainland has adopted positive and active steps. In early July, a spokesman for the Ministry of Foreign Economic Relations and Trade issued a statement putting forward the following five principles for economic and trade exchanges between the two sides: Trade must be direct and bilateral, mutually beneficial, varied in form, long-term and stable, and strictly according to business ethics and contracts. People on the island have a favorable reaction to these principles. Many figures in Taiwan's economic circle said that the "five principles" show the sincerity on the party of the mainland by seeking truth from facts and by proceeding from safeguarding the interests of industrial and commercial circles of the two sides. During his press conference, the spokesman reaffirmed that the fundamental aim of promoting economic and trade exchange between the two sides is to invigorate the Chinese nation through the concerted efforts of the two sides. He expressed the mainland's hope of signing a long-term economic and trade agreement with Taiwan authorities to provide protection in every possible way for the legal rights and benefits of enterprises of both sides, so as to promote a smoother and healthier development of economic and trade exchanges between the two sides.

However, restricted by its narrow political bias, Taiwan authorities insisted on setting up obstacles for the exchange of mails, trade, and air and shipping services. This year, Taiwan authorities also have carried out the "system of filing records for investment in the mainland" and the "warning system of economic and trade ties between the two sides" attempting to use these controlling measures to impede normal economic and trade exchanges between the two sides. The cases of "Blockading the Investment Made by the Zhengxin Enterprise" and "Dealing With the Chente Enterprise" which occurred this year are the direct product of this policy. The irrational economic and trade policy adopted by Taiwan authorities toward the mainland has caused strong dissatisfaction and criticism among all circles on the island. Voices calling for direct contacts with the mainland have rung continuously. It has been pointed out by many people that economic and trade exchanges between the two sides has formed a magnificent and irresistible trend. Only by eliminating man-made obstacles and realizing the goal of direct contacts can we contribute to the cause of invigorating the economy of the two sides and the Chinese nation as a whole.

Guangdong Lawyers Protect Taiwan Investors

OW1712130391 Beijing XINHUA in English
1149 GMT 17 Dec 91

[Text] Dalian, December 17 (XINHUA)—Lawyers in south China's Guangdong Province are making great efforts to help solve Taiwan investors' difficulties and protect their interests, according to a meeting here sponsored by the All-China Lawyers Association.

In recent years Taiwan businessmen have started over 1,000 ventures in the province, 400 of them with a total investment of 500 million U.S. dollars in Shenzhen, China's first special economic zone.

The sum accounts for one quarter of Taiwan's total investment in China's mainland.

With the increasing number of investors, lawyers in Guangdong are ready to provide all kinds of services, consequently, their workload has increased by ten percent in the past year.

The Taiwan authorities do not allow direct trade and investment between Taiwan and the mainland, so the lawyers help the investors with customs and import of equipment problems.

The lawyers also acquaint the investors about the laws and regulations concerning investment in the mainland, so that their interests can be protected.

In addition, they take part in arbitration and lawsuit activities on behalf of the investors. Usually, if there is an economic dispute, they will first mediate among the litigants before resorting to court.

President Li Promotes 'Move East' Proposal

OW1912094191 Taipei CNA in English 0827 GMT
19 Dec 91

[Text] Taipei, Dec. 19 (CNA)—President Li Teng-hui, who recently completed a four-day round-the-island tour by train, published a long article Wednesday on his personal observations during the trip.

The president said he had been deeply impressed by the natural and cultural potential in eastern Taiwan, a little developed area having great potential.

Comparing the east with the congested and industrialized west corridors, Li said he had not been frustrated by criticism of his "move east" proposal made in April last year.

Visiting Hualien, an east coast city, Li said his plan to encourage industries to move east was still of value in spite of many difficulties.

Moving production to foreign countries is, for example, riskier than moving to the eastern coast because of legal, labor, language, transportation and environmental differences, Li said.

"If we have a round-the-island railroad network, modern ports and airports and other hardware facilities, wouldn't it be wise to consider an industrial move-east policy?" Li asked.

Further on Deportations of Independence Activists

OW1912085791 Taipei CNA in English 0751 GMT
19 Dec 91

[Text] Taipei, Dec. 19 (CNA)—Chang Shun-hua, wife of the Chairman Kuo Pei-hung of the outlawed World United Formosans for Independence's (WUFI) United States chapter, was deported back to the United States Wednesday after she tried to enter Taiwan illegally.

Police also expelled Huang Yueh-kui and Li Wei-tai, the wife and son of Li Ying-yuan, vice chairman of the WUFI's U.S. chapter.

Both Kuo and Li are being held at the Tucheng Detention Center in Taipei for sedition.

The three personae non gratae arrived at Chiang Kai-shek International Airport at 7:50 p.m. on United Airlines Flight 845 but were denied entry by the police because they did not have legal visas.

Huang protested against the official refusal to allow her entry in the boarding lounge before she and the two other deportees were finally sent back to the United States.

Defense Minister Opens New Underground Air Base

OW1912091891 Taipei CNA in English 0829 GMT
19 Dec 91

[Text] Taipei, Dec. 19 (CNA)—Defense Minister Chen Li-an Wednesday officiated at a ceremony marking the completion of the Chien An No. 3 Air Base in Hualien in eastern Taiwan.

One of the biggest modern underground air base in the Far East, Chien An No. 3 was completely designed and constructed with domestic resources. It took seven years to complete the air base, which is located in a mountainous area near Hualien.

Addressing the ceremony, Chen said the air base will strengthen the nation's air defense capabilities. Thirty-four military officers were cited at the ceremony for their outstanding contributions to the completion of the air base.

National Assembly Election Campaign Continues

Military Involvement Alleged

HK1912121891 Hong Kong AFP in English 1102 GMT
19 Dec 91

[Text] Taipei, Dec 19 (AFP)—Police blocked about 30 opposition demonstrators from marching on the Presidential Office here Thursday to protest alleged military involvement in Taiwan's National Assembly elections.

The group, led by Chen Shui-bian of the opposition Democratic Progressive Party, was seen confronting police as it broke into a zone around the president's office which is off-limits to protesters.

"Stop military invention in National Assembly elections," the group chanted.

Chen, a candidate in Saturday's National Assembly polls, had sought to deliver a petition to President Li alleging that Taiwan servicemen were being mobilized to support Nationalist Party (Kuomintang) candidates.

"It is unfair and unethical for the military to do this. It is an independent body and should keep its hands off the elections," Chen said later in an interview.

Chu Po-chun, vice foreign minister and chief adviser to the Central Election Commission, denied Chen's allegations, saying that servicemen were not compelled to vote for any particular candidates.

"They are free to vote for anyone they like," Chu said.

Soong: Voters 'Do Not Want Turmoil'*OW1912085891 Taipei CNA in English 0813 GMT
19 Dec 91*

[Text] Taipei, Dec. 19 (CNA)—A high ranking Kuomintang [KMT] official said Wednesday that the KMT has sensed a strong message from the voters across Taiwan: "We do not want turmoil."

James Soong, secretary general of the ruling party, observed that public response to the on-going National Assembly election campaign has been cool in some places but warm in others.

The "cool" response does not mean "apathy," said Soong who has cheered all 205 candidates the KMT has nominated around the island.

Rather, the voters' cool-headed response to campaign appeals indicates their good understanding of various campaign issues as a result of a liberalized flow of information, Soong said.

He said his wide range of contacts with people in small towns and big cities throughout the country sent him a strong message—that an absolute majority of the people want stability.

"They all hope to see accelerated promotion of development and reform programs amidst stability and continued prosperity," Soong said. "So they attach great importance to the National Assembly elections."

Soong agreed with oppositionist Kang Ning-hsiang, who said that campaign rallies have attracted fewer people because they are already well informed about different political views.

Asked to comment on the KMT's hope for a 75-percent win, Soong said the party is "confident and sure" that the electorate will support it because they cherish the progress made over the past 40 years under the KMT's leadership.

Soong on Plan To Amend Constitution*OW1912085291 Taipei CNA in English 0804 GMT
19 Dec 91*

[Text] Taipei, Dec. 19 (CNA)—A "confident and sure" Kuomintang [KMT] Secretary General James Soong Wednesday outlined his party's plan to amend the Constitution next year.

Preparations for the historic work will begin immediately after the National Assembly elections, said Soong, who hoped the KMT will win 75 percent of the vote.

The KMT will forge a consensus in its own ranks on details of the constitutional revision, communicate with oppositionists, and prepare to hold the Second National Assembly meeting, Soong said.

He explained that the opinions of Central Standing Committee members will be gathered as an "important reference" in forging the KMT consensus.

The party will then hold talks with opposition leaders so that the KMT's proposed amendments will win a majority support inside the assembly.

The KMT will also prepare to hold an extraordinary session of the new National Assembly as well as a possible KMT plenary session to further strengthen the party's position on the amendment of the Constitution.

The KMT's task force on constitutional amendment will be reconstituted so that regional and National Assembly persons can join in the task force's work, according to the KMT chief of staff.

The ruling party has not yet decided on exactly how to revise key constitutional articles such as the one specifying the method for electing the president.

It has advocated a special method of "direct election through delegates" but added that it is not final; the final decision will be made "after taking public opinion into account."

For now, the KMT's top concern is to solicit ballots for its National Assembly candidates as the Dec. 21 voting is drawing near.

Communist 'Unpredictability' Viewed*OW1912091991 Taipei CNA in English 0808 GMT
19 Dec 91*

[Text] Taipei, Dec. 19 (CNA)—The Kuomintang [KMT] reminded the people Wednesday night of the unpredictability of the Chinese Communist regime, and warned that its threats to Taiwan still exist.

In a campaign video broadcast on TTV [Taiwan Television], the ruling party said Communist China had entered into wars with several neighbors without any advance warning.

The video pointed to the 1950 Korean war, the 1969 border conflict with the Soviet Union, and the 1979 war with Vietnam as examples.

Is it worth the lives and property of the 20 million people here to experiment with a meaningless cause (Taiwan independence)? The KMT asked. [sentence as received]

It stressed that "independence is not the current of the time; the collapse of communism is."

Only three countries in the world—Mainland China, North Korea, and Cuba—still practice communism. All of them are led by senior revolutionaries whose days are numbered, the KMT said.

The domino effect of the Soviet Union's disintegration will soon reach these hardline communist countries, the KMT predicted.

Trade Associations Back KMT

OW1912092091 Taipei CNA in English 0759 GMT
19 Dec 91

[Text] Taipei, Dec. 19 (CNA)—Taiwan's three leading industrial and commercial associations Wednesday pledged to support the ruling Kuomintang [KMT] in the upcoming National Assembly elections.

Leaders of the three associations pledged at a joint year-end banquet to urge all their members to vote for the KMT, because people in the business circles desire social stability and economic prosperity. The three associations are the General Chamber of Commerce of the Republic of China, Chinese National Federations of Industries, and Chinese National Association of Industry and Commerce.

They hoped the ruling party will gain a landslide victory in the elections so that the nation's constitutional reform program can be completed successfully next year.

The elections will be held Saturday. The newly-elected National Assembly will begin to amend the Constitution in March.

Premier Hao Po-tsun, Central Bank of China Governor Samuel Shieh, Chairwoman of the Council for Economic Planning and Development Shirley Kuo, and some 60 prominent business leaders were invited to the banquet.

Addressing the gathering, Premier Hao expressed his appreciation to the trade organizations for the support they have extended to government efforts to reform the Constitution, and assured them that the government will continue to promote economic development.

Mainland Scientist Praises 'Freedom'

OW1912085691 Taipei CNA in English 0755 GMT
19 Dec 91

[Text] Taipei, Dec. 19 (CNA)—Guan Weiyan, a Mainland Chinese scientist working in Taiwan, said Wednesday that Taiwan is making remarkable progress in promoting freedom and democracy.

He said this can be seen most clearly in the campaign for the upcoming National Assembly elections. The government has shown great patience and tolerance in dealing with the various disorders and irregularities that have occurred during the campaign period. The elections will be held Saturday.

Mainland China and most Third World countries are afraid of conducting free elections. Taiwan has shown great courage in promoting democracy through election, he said.

Guan, 63, is former president of the Hefei University of Science and Technology in Anhui Province. He was removed from the post after he became involved in a student-led democracy movement in 1987.

He went abroad later and came to Taiwan early this month to join a superconductivity research program sponsored by the National Science Council at National Tsinghua University.

Eligible Voters Detailed

OW1912093991 Taipei CNA in English 0819 GMT
19 Dec 91

[Text] Taipei, Dec. 19 (CNA)—The Central Election Committee announced Wednesday that the number of citizens eligible to vote in the Dec. 21 National Assembly elections is 13,083,119.

Taipei County tops the list of with 1,893,000 eligible voters, followed by Taipei city with 1,791,000, and Kaohsiung with 877,000. There are 58 election districts.

Voter turnout is expected to reach the 60-to-70 percent range, an election official said.

SEF Congratulates New Mainland Organization

OW1812080691 Taipei CNA in English 0755 GMT
18 Dec 91

[Text] Taipei, Dec. 18 (CNA)—The Straits Exchange Foundation (SEF) sent a congratulatory message to Peking's Association for Relations Across the Taiwan Straits (ARATS) Tuesday.

SEF extended its felicitations after receiving a note from ARATS informing SEF of the Peking association's inauguration Monday.

SEF hoped that both semi-official organizations will work jointly to solve the many practical problems arising from increasing exchanges across the Strait.

Vice Chairman Ma Ying-jeou of the Mainland Affairs Council (MAC), which supervises SEF, called on both sides to give priority to combating crime, verifying documents, and other "practical" problems so as to benefit the people on both sides of the Strait.

As to proposed visits to Taipei by ARATS officials, Ma said their entry into Taiwan must still be regulated by law.

Ma advised ARATS officials to delay their Taiwan visits until after the statute on relations between the people on Taiwan and the mainland has been approved by the Legislative Yuan.

Economic Official Denies Plans for Direct Links

OW1912093691 Taipei CNA in English 0817 GMT
19 Dec 91

[Text] Taipei, Dec. 19 (CNA)—The government at present does not plan to permit direct trade and investment ties with Mainland China, a ranking economics official said Wednesday.

Trade and investment ties will remain indirect and private, said Wang Chih-kang, vice economics minister responsible for trade and investment.

Chiu Chuang-huan, a presidential adviser, suggested that the Straits Exchange Foundation (SEF) discuss the possibility with Peking's Association for Relations Across the Taiwan Straits (ARATS) in Hong Kong.

Chiu has been keenly promoting a greater China economic community, but Wang said cross-strait relations must be conducted according to the national unification guideline.

The Ministry of Economic Affairs has been handling cross-strait trade ties in accordance with the first phase goals of the guideline—keeping ties private and indirect, Wang said.

Wang said that his ministry has not been directed by higher authorities to change the current trade policy toward the mainland.

He said his ministry hoped SEF and ARATS will hold talks soon on patents, trade marks and other trade disputes.

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